No. 93-1577-CFX
Status: GRANTED

Title: Qualitex Company, Petitioner
v.
Jacobson Products Company, Inc.

Docketed:
April 4, 1994

Court: United States Court of Appeals for the Ninth Circuit

Counsel for petitioner: Mulack,Donald G.

Counsel for respondent: Strick,Laurence D.

Ptn due 4-3-94, Sunday, postmarked 4-4-94, see ml label re dkt dt. 10 copies of 1 pg lodging filed 4-4-94.

| Entry | Date | Note | Proceedings and Orders |
|---|---|---|---|
| 1 | Apr 4 1994 | G | Petition for writ of certiorari filed. |
| 2 | May 4 1994 | G | Motion of Dr. Pepper/Seven-Up Corporation for leave to file a brief as amicus curiae filed. |
| 4 | May 4 1994 | G | Motion of International Trademark Association for leave to file a brief as amicus curiae filed. |
| 5 | May 4 1994 | | *Returned 30 copies of Internatl. Trademark motion for Rule 33. |
| 8 | May 5 1994 | G | Motion of American Bar Association for leave to file a brief as amicus curiae filed. |
| 3 | May 9 1994 | D | Application (A93-921) for a stay of the judgment and recall of the mandate of the United States Court of Appeals for the ninth circuit, submitted to Justice O'Connor. |
| 6 | May 10 1994 | | Application (A93-921) denied by Justice O'Connor. |
| 7 | May 11 1994 | | DISTRIBUTED. May 27, 1994 (Page 2) |
| 9 | May 16 1994 | P | Response requested -- RBG. (Due June 16, 1994) |
| 10 | Jun 15 1994 | | Brief of respondent Jacobson Products Co., Inc. in opposition filed. |
| 11 | Jun 22 1994 | | REDISTRIBUTED. September 26, 1994 (Page 12) |
| 12 | Jul 1 1994 | X | Reply brief of petitioner filed. |
| 13 | Sep 26 1994 | | Motion of Dr. Pepper/Seven-Up Corporation for leave to file a brief as amicus curiae GRANTED. |
| 14 | Sep 26 1994 | | Motion of International Trademark Association for leave to file a brief as amicus curiae GRANTED. |
| 15 | Sep 26 1994 | | Motion of American Bar Association for leave to file a brief as amicus curiae GRANTED. |
| 16 | Sep 26 1994 | | Petition GRANTED. limited to Question 1 presented by the petition. The brief of petitioner is to be filed with the Clerk and served upon opposing counsel on or before 3 p.m., Tuesday, November 8, 1994. The brief of respondent is to be filed with the Clerk and served upon opposing counsel on or before 3 p.m., Tuesday, December 6, 1994. A reply brief, if any, is to be filed with the Clerk and served upon opposing counsel on or before 3 p.m., Tuesday, December 20, 1994. Rule 29.2 does not apply. ********** |
| 17 | Nov 7 1994 | | Brief amicus curiae of International Trademark Association filed. |

2 pp

No. 93-1577-CFX

| Entry | Date | Note | Proceedings and Orders |
|---|---|---|---|
| 21 | Nov 7 1994 | | Brief amicus curiae of United States filed. |
| 18 | Nov 8 1994 | | Brief amicus curiae of B.F. Goodrich Company filed. |
| 19 | Nov 8 1994 | | Brief amicus curiae of Owens-Corning Fiberglas Corporation filed. |
| 20 | Nov 8 1994 | | Brief amicus curiae of Dr. Pepper/Seven-Up Corporation filed. |
| 22 | Nov 8 1994 | | Brief amicus curiae of Bar Association of the District of Columbia filed. |
| 23 | Nov 8 1994 | | Brief amicus curiae of Intellectual Property Owners filed. |
| 24 | Nov 8 1994 | | Brief amici curiae of Hand Tools Institute, et al. filed. |
| 25 | Nov 8 1994 | | Joint appendix filed. |
| 26 | Nov 8 1994 | | Brief of petitioner Qualitex Company filed. |
| 27 | Nov 8 1994 | | Brief amicus curiae of Crosby Group, Inc. filed. |
| 28 | Nov 14 1994 | | Record filed. |
| | | * | Original record proceedings U.S.Court of Appeals, Ninth Circuit and U.S.District Court, C.Dist. California (BOX) |
| 29 | Nov 14 1994 | | SET FOR ARGUMENT MONDAY, JANUARY 9, 1995, (2ND CASE). |
| 36 | Nov 14 1994 | | SET FOR ARGUMENT MONDAY, JANUARY 9, 1995 (2ND CASE). |
| 30 | Nov 18 1994 | | CIRCULATED. |
| 31 | Nov 22 1994 | G | Motion of the Solicitor General for leave to participate in oral argument as amicus curiae and for divided argument filed. |
| 32 | Dec 5 1994 | | Motion of the Solicitor General for leave to participate in oral argument as amicus curiae and for divided argument GRANTED. |
| 35 | Dec 5 1994 | X | Brief amicus curiae of Private Label Manufacturers Association filed. |
| 33 | Dec 6 1994 | X | Brief of respondent Jacobson Products Co., Inc. filed. |
| 37 | Dec 20 1994 | X | Reply brief of petitioner filed. |
| 38 | Jan 9 1995 | | ARGUED. |

(1)

Supreme Court, U.S.
FILED

No. 931577 APR 4 1994

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# In The
# Supreme Court of the United States
## October Term, 1993

**QUALITEX COMPANY,**

*Petitioner,*

*v.*

**JACOBSON PRODUCTS CO., INC.,**

*Respondent.*

## PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

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62 pp

## QUESTIONS PRESENTED

I. Whether the Lanham Act prohibits the registration of color as a trademark.

II. Whether a court may cancel a trademark registration duly issued by the United States Patent and Trademark Office absent a finding that the Patent and Trademark Office abused its discretion, acted contrary to the law, or made any factual error in registering the mark.

## STATEMENT PURSUANT TO RULE 29.1

The only parties to this action are those listed in the caption. Qualitex Company has no parent or subsidiary companies.



## TABLE OF CONTENTS

*Page*

QUESTIONS PRESENTED ..... i

STATEMENT PURSUANT TO RULE 29.1 ..... ii

TABLE OF AUTHORITIES ..... v

OPINIONS BELOW ..... 1

JURISDICTION ..... 2

STATUTORY PROVISIONS INVOLVED ..... 2

15 U.S.C. § 1052 (Lanham Act, Section 2) Trademarks Registrable on Principal Register ..... 2

15 U.S.C. § 1057 (Lanham Act, Section 7) Certificates of Registration ..... 4

15 U.S.C. § 1119 (Lanham Act, Section 37) Powers of Court Over Registration ..... 4

15 U.S.C. § 1127 (Lanham Act, Section 45) Construction and Definitions ..... 5

STATEMENT OF THE CASE ..... 6

I. Background ..... 6

II. Proceedings Below ..... 8

REASONS FOR GRANTING THE PETITION ..... 10

I. THE DECISION OF THE NINTH CIRCUIT IS IN DIRECT CONFLICT WITH THE DECISIONS OF OTHER CIRCUITS ..... 10

II. THE CONSISTENT NATIONAL SCHEME OF TRADEMARK PROTECTION IS IMPAIRED BY THE DECISION OF THE NINTH CIRCUIT ..... 15

*Page*

III. THE DECISION OF THE NINTH CIRCUIT FAILED COMPLETELY TO GIVE DEFERENCE TO THE STATUTORY CONSTRUCTION AND FACTUAL FINDINGS OF THE PATENT AND TRADEMARK OFFICE AND THE *PRIMA FACIE* EFFECT OF A CERTIFICATE OF REGISTRATION .....18

CONCLUSION .....22



## TABLE OF AUTHORITIES

*Page*

### CASES

*Aluminum Fabricating Co. v. Season-All Window*, 259 F.2d 314 (2d Cir. 1958) .....21

*American Tel. & Tel. Co. v. United States*, 299 U.S. 232 (1936) .....19

*Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795 (3d Cir. 1949) .....10

*Chevron, U.S.A., Inc. v. National Resources Defense Council, Inc.*, 467 U.S. 837, *reh'g denied*, 468 U.S. 1227 (1984) .....18, 19

*Cooper Indus., Inc. v. Channellock, Inc.*, 788 F. Supp. 873 (W.D. Pa. 1992) .....10, 18

*Durango Herald, Inc. v. Riddle*, 719 F. Supp. 941 (D. Colo. 1988) .....10

*In re Advertising & Mktg. Dev., Inc.*, 821 F.2d 614 (Fed. Cir. 1987) .....20

*In re Application of Myers*, 201 F.2d 379 (C.C.P.A. 1953) .....18

*In re Clarke*, 17 U.S.P.Q. 2d 1238 (T.T.A.B. 1990) .....17

*In re Eagle Fence Rentals, Inc.*, 231 U.SP.Q. 228 (T.T.A.B. 1986) .....17

*In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) .....10, 11, 12, 17

*International Mobile Machs. Corp. v. International Tel. and Tel. Corp.*, 800 F.2d 1118 (Fed. Cir. 1986) .....21

*Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 844 (1982) .....6, 20

*K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988) .....9

*Page*

*Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993) ....10, 12, 13, 15, 16

*Neva, Inc. v. Christian Duplications Int'l, Inc.*, 743 F. Supp. 1533 (M.D. Fla. 1990) ....21

*Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569 (2d Cir. 1959) ....10

*Nutrasweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990) ....9, 10, 14

*Park 'n Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985) ....8, 9, 15, 17, 19

*Rust v. Sullivan*, 500 U.S. 173 (1991) ....18

*Shakespeare Co. v. Silstar Corp. of Am.*, 9 F.3d 1091 (4th Cir. 1993) ....21

*Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753 *reh'g denied*, 113 S. Ct. 21 (1992) ....6, 9

**STATUTES**

15 U.S.C. § 1052 (Lanham Act, Sec. 2) ....2, 6, 11, 20

15 U.S.C. § 1057 (Lanham Act, Sec. 7) ....2, 4, 8, 20

15 U.S.C. § 1062 (Lanham Act, Sec. 12) ....18

15 U.S.C. § 1065 (Lanham Act, Sec. 15) ....9

15 U.S.C. § 1071 (Lanham Act, Sec. 21) ....10

15 U.S.C. § 1072 (Lanham Act, Sec. 22) ....8

15 U.S.C. § 1114 (Lanham Act, Sec. 32) ....8

15 U.S.C. § 1116(d) (Lanham Act, Sec. 34(d)) ....9

15 U.S.C. § 1119 (Lanham Act, Sec. 37) ....2, 4, 21

15 U.S.C. § 1124 (Lanham Act, Sec. 42) ....9

15 U.S.C. § 1125(a) (Lanham Act, Sec. 43(a)) ....8, 9

15 U.S.C. § 1127 (Lanham Act, Sec. 45) ....2, 5, 10, 20

28 U.S.C. § 1254(1) ....2

28 U.S.C. § 1295(a)(4) ....10



*Page*

**MISCELLANEOUS**

Lee Burgunder, *Trademark Registration of Product Colors: Issues and Answers*, 26 Santa Clara L. Rev. 581 (Spring 1986) ....12

Anthony L. Fletcher & David J. Kera, *The Forth-Fifth Year of Administration of the Lanham Act of 1946*, 82 Trademark Rep. 1041 (1992) ....7

Lawrence D. Grewach, *In re Owens-Corning Fiberglas Corp.: The Federal Circuit Puts Owens-Corning "in the Pink"*, 35 Am. U.L. Rev. 1221 (1986) ....12, 15

Brian R. Henry, *Right Hat, Wrong Peg; In Re Owens-Corning Fiberglas Corporation and the Demise of the mere Color Rule*, 76 Trademark Rep. 389 (1986) ....12

Janet R. Hubbard, *Think Pink! Color Can Be a Trademark*, 43 Wash. & Lee L. Rev. 1433 (1986) ....12

Official Gazette of the United States Patent Office ....7, 12

Patent and Trademark Office's *Trademark Manual of Examining Procedure*, § 1202.04(e), at 1202-13 (2d ed. 1993) ....12

Jeffrey M. Samuels and Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554 (1993) ....10, 12, 15, 16

S Rep. No. 100-515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607 ....13, 17

*The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 Trademark Rep. 375 (1987) ....16

No.

# In The
# Supreme Court of the United States
## October Term, 1993

**QUALITEX COMPANY,**

*Petitioner,*

*v.*

**JACOBSON PRODUCTS CO., INC.,**

*Respondent.*

---

## PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

---

Petitioner, QUALITEX COMPANY ("Qualitex"), respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") in this case.

## OPINIONS BELOW

The opinion of the Ninth Circuit is reported at 13 F.3d 1297 (9th Cir. 1994) and is reprinted as Appendix A (*infra*, 1a - 14a). The opinion of the United States District Court for the Central District of California ("District Court") is reported at 21 U.S.P.Q. 2d 1457 (C.D. Cal. 1991) and is reprinted as Appendix B (*infra*, 15a - 30a).

## JURISDICTION

The Ninth Circuit entered its decision on January 3, 1994. Neither party requested rehearing. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

## STATUTORY PROVISIONS INVOLVED

The statutes involved in this petition are Sections 2, 7(b), 37 and 45 of the Lanham Act, 15 U.S.C. §§ 1052, 1057(b), 1119, and 1127, which provide:

**15 U.S.C. § 1052 (Lanham Act, Sec. 2) Trademarks Registrable on Principal Register.**

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the



applicant, to cause confusion, or to cause mistake, or to deceive: Provided, That if the Commissioner determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this chapter; (2) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (3) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Use prior to the filing date of any pending application or a registration shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Commissioner when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Commissioner shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods on or in connection with which such mark is registered to the respective persons.

(e) Consists of a mark which, (1) when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them, or (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title, (3) when used on or in connection with the goods of the applicant

is primarily geographically deceptively misdescriptive of them, or (4) is primarily merely a surname.

(f) Except as expressly excluded in paragraphs (a), (b), (c), (d), and (e) (3) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made.

* * *

**15 U.S.C. § 1057 (Lanham Act, Sec. 7) Certificates of Registration.**

. . . .

. . . .

**(b) Certificate as Prima Facie Evidence.**

A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate subject to any conditions or limitations stated in the certificate.

* * *

**15 U.S.C. § 1119 (Lanham Act, Sec. 37) Powers of Court Over Registration.**

In any action involving a registered mark the court may



determine the right to registration, order the cancelation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action. Decrees and orders shall be certified by the court to the Commissioner, who shall make appropriate entry upon the records of the Patent and Trademark Office, and shall be controlled thereby.

* * *

**15 U.S.C. § 1127 (Lanham Act, Sec. 45) Construction and Definitions.**

In the construction of this chapter, unless the contrary is plainly apparent from the context—

. . . .

The term "trademark" includes any word, name, symbol or device, or any combination thereof—

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

## STATEMENT OF THE CASE

This case involves cancellation by the Ninth Circuit of a trademark registration issued by the U.S. Patent and Trademark Office for a trademark comprised of a color.

### I. Background

For over 30 years, Qualitex has promoted and sold its SUN GLOW® press pad using a fabric for the cover in a unique green-gold color (App. A, *infra,* 2a; App. B, *infra,* 16a). The green-gold color is technically described as "brass no. 6587" (App. B, *infra,* 16a). It is a non-primary color and is merely a shade of green (App. B, *infra,* 21a). The green-gold color is ornamental and does not make the pad perform any better than if any other color was used (App. A, *infra,* 11a; App. B, *infra,* 22a). Qualitex's use of the green-gold color is aesthetic only; is not related in any way to the product's use, cost, quality or longevity; is used to associate the color with the SUN GLOW® press pads; and is more expensive than other colors (App. A, *infra,* 11a; App. B, *infra,* 27a).

Qualitex's green-gold trademark has acquired secondary meaning[1] as a result of its long, exclusive use by Qualitex (App. A, *infra,* 12a). Qualitex has sold more than 1,000,000 press pads bearing the green-gold trademark (App. B, *infra,* 17a) and has expended more than $1.6 Million in advertising and promoting its press pads, with nearly all of its advertising and promotion highlighting the green-gold color (App. A, *infra,* 12a; App. B, *infra,* 17a). The Ninth Circuit termed the evidence of secondary meaning "convincing" (App. A, *infra,* 12a).

Qualitex applied to the U.S. Patent and Trademark Office for registration of its green-gold trademark. In its application,

[1] To establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself. *Two Pesos, Inc. v. Taco Cabana, Inc.,* 112 S. Ct. 2753, 2756 n. 4, *reh'g denied,* 113 S. Ct. 21 (1992); *Inwood Lab., Inc. v. Ives Lab., Inc.,* 456 U.S. 844, 851 n. 11 (1982). Section 2 of the Lanham Act provides that a descriptive mark that otherwise could not be registered under the Act may be registered if it "has become distinctive of the applicant's goods in commerce." 15 U.S.C. § 1052 (f). This acquired distinctiveness is generally called "secondary meaning." *Two Pesos,* 112 S. Ct. at 2757.



Qualitex set forth evidence of its lengthy, continuous, and exclusive use of the particular green-gold color in a trademark manner in order to demonstrate that the color had acquired the distinctiveness necessary to function as a trademark. After examination, on February 5, 1991, the Patent and Trademark Office issued Certificate of Registration No. 1,633,711 to Qualitex for the color green-gold as applied to "machine parts, namely, press pads and covers for press pads for commercial and industrial presses" (App. A, *infra,* 4a).[2]

Press pads made by Qualitex and its competitors are sold to dry cleaning businesses, laundries, and manufacturers for use on dry cleaning presses (App. B, *infra,* 15a). Among this group, many have come to recognize the green-gold color as representing the high quality press pads of Qualitex (App. A, *infra,* 12a) and some of these customers order the product merely by describing its color (App. B, *infra,* 17a). Many purchasers do not speak or read English well (App. A, *infra,* 13a; App. B, *infra,* 16a). Foreign speaking purchasers of press pads are unlikely to exercise a sufficiently high degree of care to avoid purchasing a competitive pad when they are shown a green-gold pad which they naturally assume to be the Qualitex product (App. A, *infra,* 13a).

Jacobson intentionally copied the appearance of the SUN GLOW® pad using a color identical to the Qualitex green-gold trademark and put an inferior pad into the marketplace bearing the copied mark (App. A, *infra,* 13a; App. B, *infra,* 20a). At trial, Qualitex presented evidence from a survey where people in the dry cleaning industry were shown the Jacobson press pad and asked what company made the pad (App. A, *infra,* 13a; App. B, *infra,* 21a).[3] Thirty-nine percent identified the

[2] A copy of Certificate of Registration No. 1,633,711 was lodged concurrently with the Petition. The particulars of the trademark application from which Registration No. 1,633,711 was issued are published at Official Gazette of the United States Patent Office, Aug. 14, 1990, at TM 62 [hereinafter Off. Gaz. Pat. Office].

[3] In a review of trademark surveys introduced in trademark cases during 1992, the Qualitex survey was described as "perhaps the soundest survey" of the year. Anthony L. Fletcher & David J. Kera, *The Forty-Fifth Year of Administration of the Lanham Act of 1946,* 82 Trademark Rep. 1041, 1196 (1992).

Jacobson pad as being made by Qualitex, while not a single respondent answered that it was a Jacobson pad (App. A, *infra*, 13a; App. B, *infra*, 21a). When asked what made them think that Qualitex made the Jacobson pad, many replied "the color" (App. B, *infra*, 21a).

The District Court found that the sale of the Jacobson pad created a likelihood of confusion, deception, and mistake in the marketplace (App. B, *infra*, 24a).

## II. Proceedings Below

Qualitex brought suit pursuant to Section 32(1) of the Lanham Act, 15 U.S.C. § 1114, for infringement of its registered trademark, and pursuant to Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), for unfair competition and trade dress infringement based upon Jacobson's actions in copying the Qualitex green-gold SUN GLOW® trade dress and putting an inferior product on the market bearing that distinctive trade dress. Jacobson counterclaimed for cancellation of Qualitex's registered trademark. After trial, the District Court held that Jacobson had infringed Qualitex's registered trademark and had failed to prove that the trademark was invalid (App. B, *infra*, 24a). Jacobson was found liable under both Sections 32(1) and 43(a) of the Lanham Act (App. B, *infra*, 24a, 26a).

Upon appeal by Jacobson, the Ninth Circuit affirmed the District Court's decision regarding Jacobson's violation of Section 43(a) (App. A, *infra*, 14a).[4] However, the Ninth Circuit reversed the District Court's holdings regarding infringement

[4] The protection available to Qualitex under the Lanham Act's unfair competition provisions, Section 43(a), is not equivalent to and does not replace the protection afforded to the owner of a registered trademark. The Lanham Act altered the common law and provides important substantive rights to a registrant. *See Park 'n Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 199 (1985). The loss of a registration denies a trademark owner, among other things: (1) the ability to establish *prima facie* ownership and validity of the mark by admitting its Certificate of Registration as evidence in an infringement proceeding, 15 U.S.C. § 1057 (b); (2) constructive notice throughout the United States of the owner's claim to ownership, 15 U.S.C. § 1072, *Park 'n Fly, 469 U.S.*

*Continued*



of Qualitex's registered trademark and Jacobson's counterclaim for cancellation thereof (App. A, *infra*, 14a). The Ninth Circuit did not find any error in the factual findings of the District Court. Nor did it find any error in the Patent and Trademark Office proceedings by which the Certificate of Registration of the green-gold color trademark was issued to Qualitex. The Ninth Circuit acknowledged that the registration of a color is not explicitly barred by the Lanham Act (App. A, *infra*, 5a), and that other circuits allow trademark protection of color marks under the Lanham Act. However, it ordered the District Court to cancel the Qualitex registration because the "better rule is that a trademark should not be registered for color alone" (App. A, *infra*, 7a).

The uniform system of trademark registration and enforcement intended by Congress under the Lanham Act is frustrated by the inconsistent and conflicting decisions in the judicial circuits and the failure to defer to the decision of the Patent and Trademark Office to register color trademarks. Qualitex seeks review of this direct and irreconcilable conflict among the circuits regarding whether color alone may be protected as a trademark and registered pursuant to the provisions of the Lanham Act.

*Continued from previous page*

at 202; (3) the opportunity to prevent the importation of counterfeit goods by recording a registered mark with the Department of the Treasury, 15 U.S.C. § 1124, *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988); (4) the operation of Section 15 of the Lanham Act which renders a registration incontestable after five years of continuous use, 15 U.S.C. § 1065, *Park 'n Fly*, 469 U.S. at 205; and (5) the option to take action pursuant to Section 34(d)(1) of the Lanham Act regarding use of counterfeit marks, 15 U.S.C. § 1116(d)(1).

Further, in order to prevail against an infringer under § 43(a) without a registration, Qualitex faces a substantially greater burden of proof since it would have to establish anew secondary meaning and other elements of validity and ownership. *See Two Pesos*, 112 S. Ct. at 2757-60. *See also Nutrasweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991) (refusing to extend protection to a color mark under 43 (a)).

## REASONS FOR GRANTING THE PETITION

### I. THE DECISION OF THE NINTH CIRCUIT IS IN DIRECT CONFLICT WITH THE DECISIONS OF OTHER CIRCUITS

The determination by the Ninth Circuit that, as a matter of law, color cannot be protected as a trademark and registered under the Lanham Act is in direct conflict with decisions of the United States Courts of Appeals for the Federal Circuit[5] and the Eighth Circuit. *Compare In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) *and Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993) *with Nutrasweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991) *and Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (9th Cir. 1994) (App. A).[6]

In *Owens-Corning*, the Federal Circuit held that color could be registered and protected as trademark under the Lanham Act if the statutory conditions were otherwise met. 774 F.2d at 1122. The Federal Circuit examined the express language of the Lanham Act, which in Section 45 defines "trademark" to include "any word, name, symbol, or device . . . used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of those goods." 15 U.S.C. § 1127. Further, the preamble to

[5] The Federal Circuit has specialty jurisdiction to hear appeals relating to patents and trademarks emanating from the Patent and Trademark Office, including Trademark Trial and Appeal Board decisions. 28 U.S.C. § 1295(a)(4). While in the case of trademark cases this jurisdiction is not exclusive (15 U.S.C. § 1071), as a practical matter, the Federal Circuit is the reviewing court for virtually all of the Patent and Trademark Office's registrability determinations. Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 570 (1993).

[6] Other courts have considered with conflicting results the issue of whether there is an absolute prohibition on protection of colors as trademarks. *Compare Cooper Indus., Inc. v. Channellock, Inc.*, 788 F. Supp. 873, 877 (W.D. Pa. 1992)(no absolute prohibition) *and Durango Herald, Inc. v. Riddle*, 719 F. Supp. 941, 950 (D. Colo. 1988)(no *per se* prohibition) *with Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569, 572 (2d Cir. 1959)(*per se* prohibition) *and Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795, 798 (3d Cir. 1949)(*per se* prohibition).



Section 2 of the Act states "No trademark . . . shall be refused registration . . . on account of its nature" except for the reasons enumerated in the statute.[7] 15 U.S.C. § 1052. Since color is not one of the enumerated reasons for denying registration and since Owens-Corning used pink in a manner falling within the statutory definition of "trademark," the Federal Circuit concluded that pink could be registered as a trademark under the Lanham Act.[8] 774 F.2d at 1116.

The Federal Circuit found that registration of color trademarks was consistent with the purposes of the Lanham Act. "Over the thirty-nine years of the Lanham Act, it has become established that the color of goods, as other indicia, may serve as a trademark if the statutory requirements are met." 774 F.2d at 1122. The Lanham Act was intended to bring trademark law into conformity with modern business practices and to dispense with mere technical, common law prohibitions on trademark protection:

> Under the Lanham Act trademark registration became available to may types of previously excluded indicia. Change was gradual and evolutionary, as the Patent and Trademark Office and the courts were presented with new concepts. . . . The jurisprudence

[7] Section 2 of the Lanham Act prohibits a registration of (a) scandalous or immoral matter, (b) national symbols such as the U.S. flag, (c) the name or portrait of a living person without consent, (d) marks which are confusingly similar to previously registered marks, and (e) marks which are descriptive, geographically descriptive, or deceptively misdescriptive. *See* 15 U.S.C. § 1052.

[8] The Federal Circuit found that the color pink as applied to Owens-Corning's fiberglass insulation functioned as a trademark. 774 F.2d at 1123. Owens-Corning had made continuous and exclusive use of the color pink on its products for more than 30 years, had used pink in dyeing its products to create consumer recognition, had selected a color which is not a primary, secondary, or tertiary color, and had consistently advertised its products emphasizing the color pink throughout the more than 30-year period of use. 774 F.2d at 1125. From this, the Federal Circuit concluded that Owens-Corning had developed secondary meaning in the color pink. 774 F.2d at 1127. Moreover, Owens-Corning did not use color as a functional feature of its products. 774 F.2d at 1122. For trademark purposes, Qualitex's use of its green-gold mark is nearly identical to Owens-Corning's use of its pink mark. *See, infra*, n. 13.

> under the Lanham Act developed in accordance with the statutory principle that if a mark is capable of being or becoming distinctive or the applicant's goods in commerce, then it is capable of serving as a trademark.

774 F.2d at 1119-20. This decision met with approval by commentators.[9] Subsequent to this decision, the Patent and Trademark Office has issued registrations to applicants using color in a trademark manner.[10]

Like the Federal Circuit, the Eighth Circuit has also determined that there is no basis in the law for denying trademark protection to colors which serve to identify and distinguish the products to which they are applied. *Master Distributors*, 986 F.2d at 219. In *Master Distributors*, the Eighth

[9] Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 559 (1987) *citing* Lee Burgunder, *Trademark Registration of Product Colors: Issues and Answers*, 26 Santa Clara L. Rev. 581 (Spring 1986); Brian R. Henry, *Right Hat, Wrong Peg: In re Ownes-Corning Fiberglas Corportion and the Demise of the Mere Color Rule*, 76 Trademark Rep. 389 (1986); Lawrence D. Grewach, *The Federal Circuit puts Owens-Corning In the Pink*, 35 Am. U. L. Rev. 1221 (Summer 1986); Janet R. Hubbard, *Think Pink! Color Can Be A Trademark*, 43 Wash. & Lee L. Rev. 1433 (Fall 1986).

[10] *E.g.*, Registration No. 1,439,132, issued to Ownes-Corning Fiberglas Corporation, published at Off. Gaz. Pat. Office, Apr. 8, 1986, at TM 69 (pink as applied to fibrous glass residential insulation); Registration No. 1,633,711, issued to Qualitex Company, published at Off. Gaz. Pat. Office, Aug. 14, 1990, at TM 62 (green-gold as applied to press pads and press pad covers); Registration No. 1,536,106, issued to Channellock, Inc., published at Off. Gaz. Pat. Office, Jun. 7, 1988, at TM 43 (a shade of the color blue is applied to hand tools). Further, the Patent and Trademark Office has examined, found to be registrable, and published for opposition trademark application Serial Nos. 74/347,285, Off. Gaz. Pat. Office, Jan. 11, 1994, at TM 110 (application to register lavender as applied to polyurethane building insulation), and 74/356,882, Off. Gaz. Pat. Office, Aug. 24, 1993, at TM 117 (application to register green in connection with cuffs for gloves).

*See also* the Patent and Trademark Office's *Trademark Manual of Examining Procedure*, § 1202.04(e), at 1202-13 (2d ed. 1993), setting forth examination guidelines for examining applications seeking registration of color trademarks. The Manual states that "color can function as a trademark if it is used on goods in the manner of a trademark and if it is perceived by the public as identifying and distinguishing the goods on which it is used and indicating their source." *Id.*



Circuit reversed summary judgment for the defendant, holding that trademark rights could be established in a shade of the color blue as applied to plaintiff's film leader tape. The Eighth Circuit found that establishment of a *per se* prohibition against protection of color trademarks[11] is likely to result in confusion and unpredictability, particularly where the result is inconsistent enforcement of federal trademark registrations. 986 F.2d at 224.

The Eighth Circuit agreed with the Federal Circuit that the language of the Lanhan Act does not support a *per se* prohibition against the protection of color as a trademark. 986 F.2d at 224. The Eighth Circuit had the benefit of Congressional intention as expressed during the overhaul of the Lanham Act in 1988, after the decision in *Owens-Corning*. In revising the Lanham Act, Congress amended the definition of the term "trademark" but "intentionally retain[ed] . . . the words 'symbol or device' *so as not to preclude the registration of colors*, shapes, sounds or configurations where they function as trademarks." S. Rep. No. 100-515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607 (emphasis added) (*cited in Master Distributors*, 986 F.2d at 224). Based upon this clear expression of legislative intent and the language of the statute, the Eighth Circuit held that color could function as a trademark if all the normal trademark requirements are met. 986 F.2d at 224.

In the present case, the Ninth Circuit mentioned but did not distinguish either the reasoning of the majority opinion

[11] The Eighth Circuit examined and found unpersuasive the traditional arguments against granting trademark protection to colors. First, the color depletion theory is flawed because the protection of a specific color shade in connection with particular goods is not likely to hinder competition by depleting available colors, particularly since the owner of a color trademark must still establish all of the traditional prerequisites to trademark protection which are designed to foster lawful competition. 986 F.2d at 223. Second, issues of infringement involving color trademarks are no more difficult than distinguishing among closely similar word marks, thereby refuting the shade confusion argument. *Id.* Third, colors which are functional features of a product are no more subject to trademark protection than any other functional product feature, such that the functionality doctrine is not inconsistent with protection of color trademarks in appropriate circumstances. *Id.* at 224.

in *Owens-Corning* or that of the Eighth Circuit in *Master Distributors*. The Ninth Circuit acknowledged, as the Federal Circuit found, that the Lanham Act does not prohibit the registration of color (App. A, *infra*, 5a).[12] The Ninth Circuit did not criticize the careful reasoning of the majority opinion in *Owens-Corning*, but inexplicably decided to follow the disent in that case.[13] Further, the Ninth Circuit found no factual basis for denying Qualitex the right to register its green-gold trademark. However, the Ninth Circuit summarily reversed the District Court on this issue and ordered cancellation of the green-gold trademark registration. The Ninth Circuit concluded that, in its opinion, "the better rule is that a trademark should not be registered for color alone" (App. A. *infra*, 5a).[14]

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[12] The Ninth Circuit stated:

> Registration of mere color is not explicitly barred by the Lanham Act, which provides that '[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration,' 15 U.S.C. §1052, unless one of the specific exceptions to registrability set forth in 15 U.S.C. §1052 applies. Color is not listed as an exception (App. A, *infra*, 5a).

[13] In declining to agree with the majority opinion, the Ninth Circuit failed to address the close factual parallels between the circumstances under which Owens-Corning acquired trademark rights in the color pink and those under which Qualitex acquired trademark rights in the color green-gold. *See* n.8, *supra*. The District Court found and the Ninth Circuit agreed that the long and exclusive manner in which Qualitex used the green-gold color supported the finding that that color had acquired secondary meaning as a trademark of Qualitex (App. A, *infra*, 12a). Furthermore, the Ninth Circuit found no error in the District Court's determination that green-gold is non-functional as used by Qualitex (App. A, *infra*, 11a). There is no competitive need in the industry for the color green-gold since other colors are equally useable and the range of tones available is in the hundreds, if not thousands (App. A, *infra*, 11a).

[14] The Ninth Circuit stated that it was following the "majority of circuits" but cited only the Seventh Circuit decision in *Nutrasweet*, the sole circuit court to refuse trademark protection to colors following the legislative history of the 1988 Trademark Law Revision Act (*see* p. 13, *supra*). Plainly, the Federal Circuit and the Eighth Circuit were the majority against the sole contrary holding of the Seventh Circuit at the time this matter was before the Ninth Circuit. *See Master Distributors*, 986 F.2d at 222 (prior to the Ninth Circuit decision, this decision and the decisions of the Federal Circuit and Seventh Circuit were the only ones to "squarely face this issue").



By this holding, the Ninth Circuit aligned itself with the United States Court of Appeals for the Seventh Circuit as stated in *Nutrasweet*. In *Nutrasweet*, the Seventh Circuit refused to protect the color blue as a trademark for tabletop packages of artificial sweetener, adopting the dissent in *Owens-Corning*. The Seventh Circuit's conclusion that "consistency and predictability" were compelling reasons for holding that the overall color of a product is not entitled to registration, was criticized in *Master Distributors*: "[E]stablishing a *per se* prohibition against protection of a color mark would cause confusion and inconsistency." 986 F.2d at 224.

This Court is thus faced with a conflict[15] between the Federal Circuit, the Eighth Circuit, and the U.S. Patent and Trademark Office on the one hand, and the Ninth Circuit and the Seventh Circuit on the other. *Certiorari* should be granted to review this irreconcilable conflict.

## II. THE CONSISTENT NATIONAL SCHEME OF TRADEMARK PROTECTION IS IMPAIRED BY THE DECISION OF THE NINTH CIRCUIT

A consistently-applied, nationwide scheme for the protection of trademarks is of national importance, which benefits all who participate in commercial transactions, and facilitates the flow of goods and services throughout the country. The Lanham Act was adopted in order to provide national protection for trademarks used in interstate and foreign commerce. *Park 'n Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 193 (1985). Where colors function as trademarks to identify and distinguish products, national protection of that function

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[15] This conflict has been remarked upon by courts and commentators alike. *E.g., Master Distributors*, 986 F.2d at 224 (acknowledging the split between federal circuit courts); Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 570 (1993) (the conflict among the circuits creates a legal anomaly which should not be allowed to persist); Lawrence D. Grewach, *In re Owens-Corning Fiberglas Corp.: The Federal Circuit Puts Owens-Corning "in the Pink"*, 35 Am. U. L. Rev. 1221 (1986) (mixed appeals court decisions have complicated the question of whether a product's color is registrable as a trademark).

is important to the continued operation of the scheme intended by Congress.[16] Not allowing manufacturers to protect color marks when all the traditional requirements have been met will promote inconsistency and confusion. *Master Distributors*, 986 F.2d at 223.

The Ninth Circuit's refusal to acknowledge the capacity of color to identify and distinguish products clearly fosters a lack of uniformity in trademark protection and enforcement. The result is a patchwork of conflicting jurisdictions, some in which the owner of a color trademark may expect its registration under the Lanham Act to be enforced, and others in which it will be found invalid. As the reviewing court for virtually all of the United States Patent and Trademark Office's registrability determinations, the Federal Circuit may order the issuance of trademark registrations that courts in other circuits may cancel. This creates a legal anomaly which should not be allowed to persist. Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 570 (1993).

Such variation and uncertainty in different parts of the country is precisely what the Lanham Act was designed to avoid:

> Previous federal legislation, such as the Federal Trademark Act of 1905 . . . reflected the view that protection of trademarks was a matter of state concern and that the right to a mark depended solely on the common law . . . Consequently rights to trademarks were uncertain and subject to variation in different parts of the country. Because trademarks desirably promote competition and the maintenance of product quality, Congress determined that a sound

[16] *See The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 Trademark Rep. 375, 421 (1987). *See also* Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 568 (1993) ("As a policy matter, color alone should be elgibile for federal trademark protection.") (Jeffrey M. Samuels is the former Assistant Commissioner for Trademarks of the U.S. Patent and Trademark Office).



> public policy requires that trademarks should receive nationally the greatest protection that can be given them.

*Park 'n Fly*, 469 U.S. at 198.

Consistent with these goals, the Lanham Act was drafted to broadly define what may comprise a trademark protectable under the Act to encompass all indicia, including color, which function to identify and distinguish products. *See* excerpt of S. Rep. No. 100-515, p. 13, *supra*. The Patent and Trademark office, charged by Congress with administration and construction of the Lanham Act, has acted in accordance with this Congressional intent by issuing trademark registrations for colors and even a fragrance.[17] *See also In re Eagle Fence Rentals, Inc.*, 231 U.S.P.Q. 228 (T.T.A.B. 1986); *Owens-Corning*, 774 F.2d at 1116; *In re Clarke*, 17 U.S.P.Q.2d 1238 (T.T.A.B. 1990).

By cancelling the Qualitex registration simply because the mark is comprised of a color, the Ninth Circuit completely ignored the controlling language of the Lanham Act, its legislative history, the Congressional policy of uniform national trademark protection, and the Patent and Trademark Office's construction of the Lanham Act to permit colors to come within the definition of "trademark."

The Ninth Circuit's decision, as a part of the wider conflict among the circuits, will thoroughly frustrate the Congressional mandate of uniform and consistent national trademark protection. This Court should grant *certiorari* to address the important issue of whether the Lanham Act will be construed consistently throughout this country to permit the protection of color trademarks.

[17] *See* n. 10, *supra*, and Registration No. 1,639,128, issued to Celia Clarke, published at Off. Gaz. Pat. Office, Jan. 1, 1991, at TM 98 (a floral fragrance as applied to yarn).

## III. THE DECISION OF THE NINTH CIRCUIT FAILED COMPLETELY TO GIVE DEFERENCE TO THE STATUTORY CONSTRUCTION AND FACTUAL FINDINGS OF THE PATENT AND TRADEMARK OFFICE AND THE *PRIMA FACIE* EFFECT OF A CERTIFICATE OF REGISTRATION

In summarily cancelling Qualitex's federal registration, the Ninth Circuit departed from the established standard for reviewing construction of a statue by an agency charged with administering it and ignored the mandate of the Lanham Act that a Certificate of Registration be considered *prima facie* evidence of the validity of a registered mark. One who has obtained a valid trademark in compliance with the Lanham Act should not be lightly denied that property right. *Cooper Indus., Inc. v. Channellock, Inc.*, 788 F. Supp. 873, 877 (W.D. Pa. 1992); *In re Application of Myers*, 201 F.2d 379, 383-84 (C.C.P.A. 1953). The Ninth Circuits's decision would deny this property right to Qualitex without any legal basis.

The construction of a statue by an agency which administers it may not be disturbed as an abuse of discretion if it reflects a plausible construction of the plain language of the statute and does not otherwise conflict with Congress' express intent. *Rust v. Sullivan*, 500 U.S. 173 (1991); *Chevron, U.S.A., Inc. v. National Resources Defense Council, Inc.*, 467 U.S. 837, 843, *reh'g denied*, 468 U.S. 1227 (1984). The Patent and Trademark Office is the agency charged with the duty of determining whether a particular mark qualifies for registration. 15 U.S.C. § 1062. The Ninth Circuit tacitly acknowledged that permitting registration of color was a plausible construction of the Lanham Act since "registration of mere color is not explicitly barred by the Lanham Act . . . " (App. A, *infra*, 5a). Moreover, as discussed above,[18] such a construction is entirely consistent with Congress' expressed intent. "If the intent of Congress is clear, that is the end of the matter; for [a] court as wells as [an] agency must give effect to the unambiguously expressed intent of Congress." *Chevron*, 467 U.S. at 842-43.

[18] *See* p. 13, *supra*.



Nevertheless, the Ninth Circuit determined to review *de novo* the legal question of whether color *per se* qualifies for trademark protection under the Lanham Act. This approach violates the clear admonition in *Chevron*: "if the statute is silent or ambiguous with respect to the specific issue, the question for the court is whether the agency's answer is based on a permissible construction of the statute." 467 U.S at 343. In its decision, the Ninth Circuit clearly acknowledged that construing the Lanham Act to permit registration of color was permissible, but it did not give any deference to the action of the Patent and Trademark Office in registering such marks.[19] Moreover, the Ninth Circuit did not attempt to justify its decision by reference to the language or legislative history of the Lanham Act.[20] Rather, the Ninth Cirucit substituted its own view of the "better rule" regarding the proper policy to be applied in registering trademarks for that of the Patent and Trademark Office. Such substitution is improper and violates long standing principles of administrative review. *See American Tel. & Tel. Co. v. United States*, 299 U.S. 232, 236 (1936); *Chevron*, 467 U.S. at 843 n. 11.

In failing to defer to the expressed intention of Congress and the action of the Patent and Trademark Office, the Ninth Circuit clearly went beyond its proper role. As this court stated in *Chevron*:

> [F]ederal judges—who have no constituency—have a duty to respect legitimate policy choices made by those who do. The responsibilities for assessing the wisdom of such policy choices and resolving the struggle between competing views of the public interest are not judicial ones: 'Our Constitution vests such responsibilities in the political branches.'

[19] *See* n. 10, *infra*.

[20] This failure to refer to the language or legislative history of the Lanham Act is similar to the Ninth Circuit's action in *Park 'n Fly*, 469 U.S. at 189, which this Court reviewed and reversed, stating "Nothing in the legislative history of the Lanham Act supports a departure from the plain language of the statutory provisions . . ." *Id.* at 197-98.

467 U.S. at 866.

Whether a particular mark merits registration is a question of fact. *See In re Advertising & Mktg. Dev., Inc.*, 821 F.2d 614, 621 (Fed. Cir. 1987). In issuing a Certificate of Registration, the Patent and Trademark Office necessarily determines that the mark comes within the definition of the term "trademark" set forth in Section 45 of the Lanham Act, 15 U.S.C. § 1127, and is not barred by any of the exclusions set forth in Section 2, 15 U.S.C. § 1052. The statute, as the Ninth Circuit recognized (App. A, *infra*, 5a), provides that the Certificate of Registration "shall be *prima facie* evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate subject to any conditions or limitations stated in the certificate." 15 U.S.C. § 1057.

The District Court found that Jacobson had not met its burden of showing that the Qualitex registration should be cancelled. In reviewing the factual findings of the District Court, the Ninth Circuit was bound by the "clearly erroneous" standard of Rule 52(a), Fed. R. Civ. P. *Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 844, 855 (1982). The Ninth Circuit found no such error in the factual findings of the District Court. Absent a finding of clear error, the Ninth Circuit was required to affirm the holding of the district court that the *prima facie*



evidence of the Certificate of Registration was not rebutted.[2] [1] *See Aluminim Fabricating Co. v. Season-All Window*, 259 F.2d 314, 317 (2d Cir. 1958). As the Ninth Circuit was bound by the factual findings of the District Court, it had no basis to cancel Qualitex's registration.

The Ninth Circuit's decision failed to give appropriate deference to the factual findings and the construction and application of the statute of those charged with the responsiblity for such actions. The Ninth Circuit's decision to summarily cancel the Certificate of Registration granted to Qualitex without any legal basis is a glaring departure from the accepted and usual course of judicial proceedings. This Court should grant *certiorari* to also rectify the Ninth Circuit's failure to apply appropriate legal standards of review.

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[2] Section 37 of the Lanham Act gives courts the power to cancel federal trademark registrations and to otherwise rectify the records of the Patent and Trademark Office. 15 U.S.C. § 1119. This power has been found to be concurrent with that of the Patent and Trademark Office to review issues involving registered marks. *Shakespeare Co. v. Silstar Corp. of Am.*, 9 F.3d 1091, 1092 (4th Cir. 1993). In a case such as this, where the registration is not yet incontestable, such cancellation may be based upon any ground which could have prevented registration in the first instance. *International Mobile Machs. Corp. v. International Tel. and Tel. Corp.*, 800 F.2d 1118, 1119-20 (Fed. Cir. 1986); *Neva, Inc. v. Christian Duplications Int'l, Inc.*, 743 F. Supp. 1533, 1549 (M.D. Fla. 1990). In determining whether to cancel a registration, the court is still bound by the provisions of Section 7(b), 15 U.S.C. § 1057(b), which state that the registration shall be *prima facie* evidence of the validity of the registered mark and of the registration of the mark. *Aluminim Fabricating Co.*, 259 F.2d at 317. Moreover, the power granted by Section 37 of the Lanham Act, 15 U.S.C. § 1119, does not permit an appellate court to disregard established principles requiring judicial deference to the statutory construction of administrative agencies as set forth in *Chevron* and its progeny.

## CONCLUSION

For the reasons set forth above, a writ of certiorari should issue to review the judgment and opinion of the Ninth Circuit.

Respectfully submitted,

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April 4, 1994

# APPENDIX

# APPENDIX A

## UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

**QUALITEX COMPANY,**
**Plaintiff-Appellee,**
**v.**
**JACOBSON PRODUCTS COMPANY, INC.,**
**Defendant-Appellant.**

**No. 91-56260.**

Argued and Submitted Feb. 2, 1993.
Decided Jan. 3, 1994.

Appeal from the United States District Court for the Central District of California.

Before HUG, FERGUSON, O'SCANNLAIN, Circuit Judges.

HUG, Circuit Judge:

The primary issue in this trademark and unfair competition case is whether color per se is protectable under the Lanham Act. This action involves a claim of trademark infringement and unfair competition. Qualitex Company ("Qualitex") contended that Jacobson Products Company, Inc. ("Jacobson") was manufacturing and selling green-gold press pads designed to look like the "SUN GLOW" pads that Qualitex had promoted and sold for over 30 years. Jacobson brought a counterclaim to declare invalid the Qualitex trademark for the color of its pads on the ground that a trademark could not be granted for color alone. The district court held Jacobson liable for damages from trademark infringement and unfair competition, and enjoined Jacobson from manufacturing, marketing, or selling press pads of the same green-gold color as the pads marketed by Qualitex.

The district court's jurisdiction was based upon 15 U.S.C. § 1121 and 28 U.S.C. § 1338(a) and (b). We have jurisdiction pursuant to 28 U.S.C. § 1291, and we affirm the judgment against Jacobson for unfair competition but hold that the Qualitex trademark for color alone is invalid.

## I.

Qualitex, an Illinois corporation, manufactures and sells various products for dry cleaners, laundries and garment manufacturers. In 1957, Qualitex began manufacturing and selling its "SUN GLOW" press pad for use on dry cleaning presses. Qualitex's predecessor registered the trademark "SUN GLOW" with the United States Patent and Trademark Office in 1959. The fabric for the cover of the pad is a unique green-gold color.

Jacobson began manufacturing and marketing a "MAGIC GLOW" press pad in 1989. The cover is the same green-gold color as that of Qualitex's "SUN GLOW" pad, and the names of the pads are similar.

Qualitex initiated this action on March 9, 1990, by filing a complaint seeking injunctive relief and damages from Jacobson on the grounds that (1) Jacobson infringed Qualitex's trade dress in violation of Section 43(a) of the Lanham Act; and (2) Jacobson "passed off" its goods as those of Qualitex, and thus was guilty of unfair competition in violation of section 43 of the Lanham Act. During the pendency of this action, Qualitex filed for registration of the green-gold color. Registration was granted by the Patent and Trademark Office on February 5, 1991, and Qualitex added to its complaint the claim that Jacobson infringed Qualitex's federally registered trademark, in violation of Section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1).

Jacobson argued that its actions were not prohibited by Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), as unfair competition. Further, Jacobson counterclaimed for the cancellation of Qualitex's registered trademark, arguing



that no valid interest existed because color per se is not protectable; the color is functional and thus not protectable; no likelihood of confusion existed; and no secondary meaning was associated with Qualitex's trademark.

The evidence showed that readers of a trade publication associated the green-gold color with Qualitex, and that the "SUN GLOW" pad had acquired secondary meaning, as a result of its long and exclusive use by Qualitex. Jacobson admitted intentionally copying the overall look of Qualitex's green-gold press pad. The court concluded that the sale of the Jacobson pad had created the likelihood of confusion, deception or mistake in the marketplace. As to the green-gold color, the court found that the color did not affect the quality of the pads, and that there was no competitive need in the industry for the particular green-gold color. Although the court found a competitive need in the industry for color in general, the court noted that the range of tones available was "in the hundreds, if not thousands."

In its Conclusions of Law, the court held that Jacobson had infringed Qualitex's registered trademark and had failed to prove that the trademark was invalid. Jacobson was found guilty of unfair competition by copying the appearance of the "SUN GLOW" pad and deceiving purchasers, putting an inferior product into the marketplace under Qualitex's distinctive trade dress to the detriment of said purchasers and Qualitex, and infringing Qualitex's registered trademark for the green-gold color. Finally, the court held that Jacobson was also guilty of unfair competition because Jacobson had infringed Qualitex's trade dress.

The district court's order provided that Qualitex was entitled to an injunction against Jacobson's infringement of the registered trademark and the trade dress, and against the unfair competition. Jacobson was also held liable for the profits it made from its infringement. The court did not award enhanced damages and attorney's fees because

Jacobson's copying had been done under the reasonable belief that Qualitex could not appropriate a color.

## II.

A claim of federal trademark infringement may be brought against one who, without the permission of the holder of the registered trademark,

> use[s] in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive
> . . . .

15 U.S.C. § 1114(1)(a); *see also Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1178 (9th Cir. 1988).

While this case was pending, Qualitex applied to the U.S. Patent and Trademark Office for a Certificate of Registration, granted on February 5, 1991. The registration states in part:

> For machine parts: namely, press pads and covers for press pads for commercial and industrial presses
> . . . .
>
> The drawing is lined for the color gold.
>
> The mark consists of a particular shade of green-gold applied to the top and side surfaces of the goods.

Certificate of Registration No. 1,633,711.

A certificate of registration is prima facie evidence of the validity of the mark and relieves the holder, Qualitex, of the burden of proving nonfunctionality and secondary



meaning. 15 U.S.C. § 1057(b). It shifts the burden of proof to the contesting party, who must introduce sufficient evidence to rebut the presumption of the holder's right to protected use. *See Vuitton et Fils S.A. v. J. Young Enterprises, Inc.*, 644 F.2d 769, 775 [212 USPQ 85] (9th Cir. 1981). Jacobson contends that it met that burden by showing that Qualitex's green-gold color alone is not protectable, and that the trademark is invalid.

## III.

The district court ruled that Jacobson infringed on Qualitex's registered trademark, the green-gold color of the press pads. A district court's findings of facts are reviewed for clear error. *See Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 514 (9th Cir.), *cert. denied*, 493 U.S. 872 (1989). Whether color per se qualifies for trademark protection is a legal question to be reviewed *de novo*. *See id.* ("[i]ssues concerning the correct test to be used in evaluating trademark infringement are reviewed *de novo*").

Registration of mere color is not explicitly barred by the Lanham Act, which provides that "[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration," 15 U.S.C. § 1052, unless one of the specific exceptions to registrability set forth in 15 U.S.C. § 1052 applies. Color is not listed as an exception. *See In re Owens-Corning Fiberglass Corp.*, 774 F.2d 1116, 1119 (Fed. Cir. 1985). However, the courts of appeals generally have refused to grant trademark protection for color alone. *See Owens-Corning*, 774 F.2d at 1128 & n.2, 1129 (Bissell, J., dissenting) (collecting circuit decisions denying trademark protection for color alone); 1 J. Thomas McCarthy, *Trademarks & Unfair Competition* §§ 7:16, 7:17 (2d ed. 1984) (color per se, unconfined by any defined design, generally cannot be the subject of a trademark; the use of one color as the color of a product usually does not have trademark significance).

A divided panel of the Federal Circuit held that in the unusual circumstances presented by Owens-Corning, where vast sums had been expended in advertising their pink insulation through the "Pink Panther" ads, and where there was no competitive need for the color pink, a trademark for that color was properly registered as a trademark. *Owens-Corning*, 774 F.2d at 1128.

In a more recent decision, the Eighth Circuit refused to establish a per se rule prohibiting the registration of color as a trademark. *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219, 223 (8th Cir. 1993). In *Master Distributors*, the district court held, as a matter of law, that color alone could not be protected as a trademark. The court of appeals reversed, declining to establish that as a matter of law a color alone could not be protected. The court ruled that if a party can establish all the normal trademark requirements arising from the color of its product, the party can register that color as a trademark. *Id.* at 224.

The majority of the other circuits have refused to give a color the protection of a registered trademark. The Seventh Circuit recently affirmed its rule that the overall color of a product cannot be a trade identity designation, and is not entitled to registration. *See NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991). *NutraSweet* held that color alone cannot be protected as a trademark, although it may be protected if used "in connection with some symbol or design or impressed in a particular design." *Id.* at 1027.

NutraSweet claimed trade-dress infringement under section 43(a) when another company began marketing tabletop sweetener in a blue packet that was similar, but not identical, to the shade of blue used by NutraSweet for its tabletop sweetener. *Id.* at 1026. The court noted that the appropriation of particular colors could lead to questions of shade confusion, and stated that granting to NutraSweet a protectable interest in pastel blue "might create a barrier to otherwise lawful competition in the tabletop sweetener



market." *Id.* at 1028. The court declined to adopt "a fact-driven standard which would require the trial court to scrutinize the tabletop sweetener market to determine the number of competitors and the likelihood of future competitors in that market to determine whether there is a competitive need for the color blue to remain available." *Id.* Thus, the Seventh Circuit refused to recognize any protectable interest in color alone.

We discussed the question of whether color alone could be validly registered as trademark in *First Brands Corp. v. Fred Mayer, Inc.*, 809 F.2d 1378 (9th Cir. 1987), in the context of a trade dress case. We noted that when "[c]onfronted with an unusual set of facts the court in *Owens-Corning* established a very limited rule that in certain situations a particular color could itself be registered as a trademark." *Id.* at 1382. We did not adopt the *Owens-Corning* rule, as we were merely referring to it in the context of a trade dress case, where we ultimately held that a yellow ordinarily shaped antifreeze container was not protectable trade dress. *Id.* at 1381, 1385.

[1] In this case, we confront the issue of whether to follow the majority of circuits in holding that color alone cannot form the basis for a trademark, or to acknowledge the exception of *Owens-Corning*. We conclude that the better rule is that a trademark should not be registered for color alone. As many cases have noted, under the color depletion theory, no person should have a monopoly on a primary color. We recognize that there are countless shades of colors that could not be depleted, but then, we could well become involved in "shade confusion" as noted in *NutraSweet*, 917 F.2d at 1027, and in Judge Bissell's dissent in *Owens-Corning*, 774 F.2d at 1131. Drawing distinctions between close shades of color could present unnecessary problems. Adequate protection is available when color is combined in distinctive patterns or designs or combined in distinctive logos. *See Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 613 (9th Cir. 1989). Furthermore, as we

discuss hereafter, further protection is afforded by the Lanham Act's unfair competition provisions.

## IV.

The basic test for unfair competition is whether consumer confusion or deception is likely as a result of the defendant's acts. *Century 21,* 846 F.2d at 1178. Registration of a trademark is not a prerequisite for recovery under section 43(a), but a party must have a "reasonable interest to be protected." *New West Corp. v. NYM Co. of California, Inc.,* 595 F.2d 1194, 1198 (9th Cir. 1979), *quoted* in *Smith v. Montoro,* 648 F.2d 602, 605 (9th Cir. 1981); *see also Metric & Multistandard Components Corp. v. Metric's, Inc.,* 635 F.2d 710, 714 (8th Cir. 1980) (a mark not entitled to trademark protection may be entitled to unfair competition protection).

A claim of unfair competition under Section 43(a) of the Lanham Act can take many different forms. Section 43(a) of the Lanham Act states:

> (a)(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which --
>
> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person ...shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.



15 U.S.C. § 1125 . . . . Traditionally, many courts restricted claims for unfair competition to situations where there was "passing off," which is the selling of a good of one's own creation under the name or mark of another. *See Smith,* 648 F.2d at 604. "Express passing off occurs when an enterprise labels goods or services with a mark identical to that of another enterprise, or otherwise expressly misrepresents that the goods originated with another enterprise." *Id.* However, a claim of unfair competition under section 43(a) is no longer limited to cases of passing off. Professor McCarthy has noted that:

> most courts [today] recognize that passing off is merely a single type of theory within the broad spectrum of unfair competition law. Today, the law of Unfair Competition and Trademarks has progressed far beyond the old concept of fraudulent passing off, to encompass any form of competition or selling which contravenes society's current concepts of "fairness". . . .

2 McCarthy 25:1, 233 (footnotes omitted). In *Smith v. Montoro,* we expressly adopted the same view. 648 F.2d at 604.

[2] Another way a party may be guilty of unfair competition under section 43(a) is a "trade dress" infringement. The trade dress of a product is its overall image as it is presented to the consumer and includes aspects such as the size, shape, color, or design of the product. *See NutraSweet,* 917 F.2d at 1027 n.7; 15 U.S.C. § 1125(a). For a successful trade-dress claim, the plaintiff must show that its trade dress is protectable and that the defendant's use of similar trade dress is likely to confuse customers. *See Vision Sports,* 888 F.2d at 613. There are yet other ways of violating section 43(a), such as by using false or misleading geographical terms. As we noted in *New West:*

> [T]he ultimate test [under Section 43(a) of the Lanham Act] is whether the public is likely to be deceived or confused by the similarity of the marks. Whether we call the violation infringement, unfair competition or false designation of origin, the test is identical--is there a "likelihood of confusion?"

*New West*, 595 F.2d at 1201 (citations omitted).

Trade-dress infringement is proved by showing (1) the trade dress is nonfunctional, (2) it has acquired secondary meaning, and (3) there is a likelihood of confusion between the products. *First Brands*, 809 F.2d at 1381; *Vision Sports*, 888 F.2d at 613. In a trade-dress infringement claim, the trier of fact must look at the "total impression of the package, size, shape, color, design, and name" to determine if it is likely to confuse the consumer as to the origin of the product. 1 McCarthy 2:2 (quoting *Jean Patou, Inc., v. Jacqueline Cochran, Inc.*, 201 F. Supp. 861 (S.D.N.Y. 1962), *aff'd*, 312 F.2d 125 (2d Cir. 1963)); *Vision Sports*, 888 F.2d at 613. In other words, whereas in a registered trademark infringement case, the court must look at a *single* aspect of the product -- the trademark itself -- a court in an trade-dress infringement case must look at the product as a whole. Therefore, it is possible to succeed on a suit for unfair competition even when there is no registered trademark to begin with or even if no aspect of the package, taken alone, is registrable as a trademark. *Id.*

[3] The district court determined that the "total impression" of the Qualitex green-gold pad and its "SUN GLOW" name constituted the trade dress, or overall appearance, of the Qualitex product. The court found that Qualitex had shown that the trade dress was nonfunctional, had acquired secondary meaning, and was likely to be confused with the trade dress of Jacobson's product. We review the district court's findings on the elements of nonfunctionality, secondary meaning, and likelihood of



confusion for clear error. *Clamp Mfg. Co.*, 870 F.2d at 514. We will not disturb the district court's decision unless, after reviewing all of the evidence, we are left with the definite and firm conviction that a mistake has been committed. *Id.* We conclude that the district court did not err in holding that Jacobson infringed on Qualitex's trade dress.

First, the district court found that the trade dress of the "SUN GLOW" press pad was nonfunctional. If a feature is functional, it is not protectable under the law of unfair competition. *First Brands*, 809 F.2d at 1381. "A product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850 n.10 (1982); *see also Vuitton et Fils S.A.*, 644 F.2d at 773 (reversing district court's order invalidating registered trademark, and remanding for trial on the functionality issue).

The district court found that Qualitex's use of the green-gold color was aesthetic only; was not related in any way to the product's use, cost, quality, or longevity; was used to associate the color with the "SUN GLOW" press pads; and was more expensive than other colors. The district court found that the green-gold color was ornamental and did not make the pad perform any better than if any other color was used. Although evidence was presented that there may be a functional reason to have colored press pads to maintain a clean appearance, we conclude that it was not error for the district court to conclude that "there is no competitive need for the green-gold color, since other colors are equally usable" and that "the range of tones of available distinctive suitable colors ... is in the hundreds if not thousands."

Second, the district found that the trade dress of the press pad had acquired secondary meaning. A product has secondary meaning if purchasers in that product's market associate the trade dress of the product with a particular source. *See Clamp*, 870 F.2d at 517. The factors to be

assessed in determining secondary meaning are whether actual purchasers associate the press pads' trade dress with Qualitex, the degree and manner of Qualitex's use of the trade dress, and whether Qualitex's use of the trade dress has been exclusive. *See id.* at 517; *Vision Sports,* 888 F.2d at 615. Evidence that the manufacturer has used and advertised the product over a substantial period of time is sufficient to establish secondary meaning. *Clamp,* 870 F.2d at 517 (citing *First Brands,* 809 F.2d at 1383). Proof that another party intentionally copied the trade dress strongly supports a finding of secondary meaning. *Vision Sports,* 888 F.2d at 615.

Qualitex presented evidence that its customers have come to rely on the appearance of the "SUN GLOW" pad and to associate that appearance with Qualitex and Qualitex's reputation of producing a high-quality longer-lasting product. The evidence showed: Qualitex has sold its "SUN GLOW" press pad with a green-gold color for over 30 years. The company has spent over $1.6 million in advertising and promoting its press pads in magazines and at trade shows, and nearly all advertising and promotion have highlighted the green-gold color of the pad. Qualitex has run advertisements featuring the press pad's green-gold color on a monthly basis for the last 30 years in a leading magazine aimed at the dry cleaner market. There was evidence that readers of a trade publication associated the green-gold color with Qualitex. Further, Jacobson admitted intentionally copying the overall look of Qualitex's green-gold press pad. Thus, there was convincing evidence that the trade dress had acquired secondary meaning as a result of its long exclusive use by Qualitex.

Third, the court found that the sale of the Jacobson pad had created the likelihood of confusion, deception or mistake in the marketplace. Factors that may be considered in determining a likelihood of confusion include the strength of the mark, the similarity of the mark, the class of goods and marketing channels, evidence of actual confusion, the intent of the second user, the degree of care likely to be exercised



by the purchaser, and the likelihood of expansion of the product lines. *See Eclipse Assoc. Ltd. v. Data General Corp.,* 894 F.2d 1114, 1117-18 (9th Cir. 1990); *AMF, Inc. v. Sleekcraft Boats,* 599 F.2d 341, 348-49 (9th Cir. 1979). These factors are nonexclusive guidelines and are not to be applied as a rigid formula. *Eclipse,* 894 F.2d at 1118.

The district court found that Jacobson intentionally copied the appearance of the "SUN GLOW" pad, and had put an inferior product into the marketplace under Qualitex's distinctive trade dress to the detriment of Qualitex and purchasers. Jacobson's president and vice president testified that they deliberately copied the Qualitex pad cover.

The district court also found that there was a high degree of similarity between the products. Jacobson used exactly the same green-gold color as Qualitex. At trial, Qualitex showed that Jacobson stamps "MAGIC GLOW" on the side or skirt portion of the press-pad cover, which is the same portion of the pad where Qualitex stamps "SUN GLOW."

The degree of care likely to be exercised by the consumer also supported a finding of likelihood of confusion. Qualitex presented evidence that many purchasers do not speak or read English well. The court found that many "foreign speaking purchasers of press pads are unlikely to exercise a sufficiently high degree of care to avoid purchasing a Jacobson pad when they are shown a green-gold pad."

As to actual confusion, Qualitex presented evidence of a survey. In that survey, when people in the dry cleaning industry were shown a Jacobson press pad and asked to identify the manufacturer, 39% responded that it was a Qualitex pad, while not a single respondent answered that it was a Jacobson pad.

[4] We find ample evidence in the record to conclude that the district court did not err in finding the necessary elements of a trade-dress infringement claim under Section 43(a) of the Lanham Act and concluding that Jacobson violated that section. We uphold the injunction.

Because we have found a violation of section 43(a) under a theory of trade-dress infringement, we do not address the passing-off claim. We note that the remedy for a violation of section 43(a) is the same regardless of the theory involved.

## V.

The judgment for Qualitex on its claim for unfair competition, together with the monetary damages awarded, and the injunction against further infringement are affirmed. The judgment for Qualitex on its claim for trademark infringement and the judgment on Jacobson's counterclaim for cancellation of the trademark are reversed, and the district court is directed to enter judgment for Jacobson on its counterclaim.

**AFFIRMED in part, and REVERSED in part, and REMANDED.**



## APPENDIX B

**UNITED STATES DISTRICT COURT**
**FOR THE CENTRAL DISTRICT OF CALIFORNIA**

| | |
|---|---|
| **QUALITEX COMPANY, an Illinois corporation,** *Plaintiff and Counterdefendant,* *vs.* **JACOBSON PRODUCTS COMPANY, INCORPORATED, a California corporation,** *Defendant and Counterdefendant.* | No. CV 1183 HLH(JRX) FINDINGS OF FACT AND CONCLUSIONS OF LAW |

The court finds and concludes as follows:

### *FINDINGS OF FACT*

1. Qualitex is a closely held family company that has been engaged since 1945 in the manufacture of various products for dry cleaners, laundries and garment manufacturers which it sells through various independent distributors in the United States.

2. Qualitex began manufacturing and selling its SUN GLOW® press pad in approximately 1957 for use on dry cleaning presses.

3. The SUN GLOW® pad is constructed in various sizes from differing lengths of rubber, fiberglass and insulating materials with a bottom cloth.

4. The SUN GLOW® pad is covered on top with a specially woven fabric made to Qualitex' specifications and treated with a special formulation of resins and other chemicals to resist heat and increase wear.

5. Qualitex selected the unique green-gold color, specially dyed its fabric, and instructed its fabric finisher to use the same color on all fabric for use on SUN GLOW® press pads. The color is technically described as "brass #6587."

6. Qualitex has sold its press pads in the same green-gold color cover fabric for over 30 years.

7. The green-gold color for use on press pads was registered as a trademark in the United States Patent and Trademark Office on February 5, 1991 as Registration No. 1,633,711.

8. The "SUN GLOW®" trademark was registered in the United States Patent and Trademark Office on February 17, 1959 as Registration No. 674,153 and is presumptively valid.

9. The relevant purchasing public for press pads sold by Qualitex and Jacobson, and other competitors, are dry cleaning businesses and garment manufacturers.

10. Most dry cleaning businesses are small, family owned, and family run establishments, many of whom are foreign speaking with limited skills in reading or speaking English.

11. Approximately 30% of the dry cleaning establishments in this country are run by Koreans. Of the 1,000 dry cleaning plants in the Chicagoland area, 70% are owned or operated by Koreans.

12. The quality of the Qualitex press pad is known to be the best in the business.

***Secondary Meaning***

13. From at least 1960 to the present time Qualitex advertised its press pad on a monthly basis in the *American*



*Drycleaner Magazine*, the leading trade publication. Since at least 1970, the color ads featured the green-gold SUN GLOW® press pad. No other advertiser ever ran an ad with that color. Readers associate the color with Qualitex.

14. Qualitex also places ads featuring its green-gold press pad in the *Korean Drycleaners Times*, the *Drycleaners News*, the *Bobbin*, and the *Agent* magazines which are distributed regularly to the dry cleaning and garment industries.

15. Qualitex has prepared Bulletins which advertise the SUN GLOW® press pad in the green-gold color, distributes flyers at trade shows and uses various brochures and mailers both in English and Korean promoting its green-gold color. Qualitex also drapes its booths at trade shows with green-gold cover material to further associate the color with Qualitex.

16. From 1960 through September 30, 1990 Qualitex has expended approximately $1,621,000 for advertising the green-gold color of the SUN GLOW® pad and to promote it at trade shows.

17. Over the past 30 years, Qualitex has sold over one million SUN GLOW® press pads bearing the green-gold color.

18. Nineteen out of twenty-two award winning dry cleaners according to the *American Drycleaner* magazine, have used the Qualitex press pad for the last twenty years.

19. As a result of the long and exclusive use of its green-gold color in the marketplace Qualitex' SUN GLOW® pad has acquired distinctiveness or secondary meaning.

20. Some purchasers of press pads have come to identify and order Qualitex press pads over the telephone by merely describing its color.

21. For decades, other manufacturers have used the colors lime green, grey, dark green, light blue, orange,peach, blue/grey and other colors on their press pads.

***Intent to Copy***

22. Jacobson has been in business since 1951 and supplies approximately 600 products to the dry cleaning and garment industry through 450-500 distributors. Jacobson manufactures a press pad known as the "Magic Glow" pad. The "Magic Glow" pad is constructed in various sizes from differing lengths of rubber, fiberglass and insulating materials with a bottom cloth.

23. Jacobson first began supplying press pads manufactured by Bishop Freeman Company in 1988. Jacobson has sold approximately 400 "Bishopads" in a dark green color, and 50-100 "Cushntop" pads in a two-tone grey/green color since 1988.

24. The materials in the Bishopad manufactured by Bishop Freeman are inferior to the materials in the Qualitex pad.

25. Prior to June, 1989 Qualitex was the only company that sold press pads for use in the dry cleaning and garment industries in the green-gold color made the subject matter of the present law suit.

26. When Jacobson decided to manufacture its own Magic Glow press pad, it contacted the president of Zellermayer Corporation at a Dallas, Texas trade show in March, 1989 to purchase cover material. A color swatch of Qualitex material was shown and Zellermayer was asked if that material could be obtained.

27. The parties discussed that the material was the same color as Qualitex, and Jacobson's president said that he wanted the Qualitex material for use in foreign markets. Zellermayer's president said he didn't believe he would have



sold the Qualitex material to Jacobson if he knew it was to be used to copy the Qualitex press pad.

28. Jacobson purchased 700 yards of Qualitex green-gold "seconds" material in April, 1989 from Zellermayer Corporation in New York. Zellermayer had purchased the material from Amerbelle Corporation, the fabric finisher utilized by Qualitex.

29. The initial shipment of material to Jacobson consisted of overrun "seconds" material from an earlier Qualitex production run which Jacobson didn't like but nevertheless used to make "Magic Glow" pads.

30. After exhausting the initial 700 yards of Qualitex green-gold "seconds material," Zellermayer was unable to purchase additional Qualitex material for Jacobson based upon Amerbelle's claim that the green-gold color ("brass #6587") was exclusive to Qualitex.

31. Jacobson used a list of 200 mills nationwide to locate a supplier who would specially mix and provide the identical color of a material that Qualitex was using.

32. Jacobson then contacted Qualitex' fabric supplier, Brookwood Roll Goods, Inc. to purchase more Qualitex green-gold material but said request was refused.

33. Jacobson thereafter went to United Textile & Supply Company ("Unitex") with a sample swatch of the Qualitex material and asked that the material and color be duplicated.

34. The green-gold color was not a shelf item and had to be manufactured especially for Jacobson.

35. Jacobson purchased additional green-gold material from Unitex, after requesting that Unitex send a swatch of Qualitex material to an outside lab for testing of its

composition, and ultimate duplication, leading to the successful imitation of the Qualitex green-gold color.

36. On January 24, 1990 Jacobson placed its first order for cover material with Unitex and a total of 5,096 yards of green-gold material was ultimately shipped to Jacobson by Unitex.

37. Jacobson first sold green-gold Magic Glow press pads to the industry at least as early as July, 1989.

38. Jacobson intentionally copied the overall look of Qualitex' green-gold press pad and one-half of the SUN GLOW® trademark.

***Likelihood of Confusion***

39. The Magic Glow press pad is an inferior quality to the Qualitex SUN GLOW® pad.

40. The components of the Jacobson pad are inferior to the Qualitex pad and the Jacobson pad will not last for 10 months like the Qualitex pad.

41. *Cover Cloth.* Qualitex cover cloth is constructed of 210 denier industrial yarn which is stronger and lasts longer than the 200 denier wearing apparel yarn used by Jacobson.

42. *Rubber.* Qualitex uses a 55 lb. rubber which is a heavier weight than the 33 lb. rubber used by Jacobson in its press pad.

43. *Fiberglass.* Qualitex uses a long-strand fiberglass which has an ability to dissipate heat quicker without deterioration than the short-strand fiberglass used by Jacobson.



44. *Bottom Cloth.* Qualitex uses a heavier weight white bottom cloth on its press pad which will last longer than the lighter weight bottom cloth used by Jacobson.

45. Qualitex and Jacobson are direct competitors, and they market their products through the same channels. Both sell to distributors who then sell to the dry cleaning and garment industries. Some distributors sell both Qualitex and Jacobson products.

46. Qualitex and Jacobson utilize the same advertising medium to promote their products. Both advertise in trade journals and other periodicals directed to dry cleaning and garment businesses.

47. Jacobson is selling its pad to distributors as a "look alike" Qualitex pad. One distributor sold Jacobson pads to customers who ordered Qualitex pads because he thought the customer wouldn't know the difference. One such customer returned the Jacobson pad and requested a Qualitex pad.

48. *Survey Evidence.* Personal interviews were conducted of 199 men and women in dry cleaner stores during the months of November and December, 1990 in four locations: Atlanta, Chicago, Los Angeles, and Philadelphia. Each respondent was shown a Jacobson press pad and asked: "What company or companies do you think makes this press pad?" 39% of the respondents answered Qualitex. Not one respondent named Jacobson. When asked: "What is it that makes you think [Qualitex] makes this press pad?" Numerous respondents stated the "color."

49. The sale of Jacobson's Magic Glow press pad has created the likelihood of confusion, deception or mistake in the marketplace.

***Non-functionality -- Competitive Need***

50. The natural color of the cordura and 210 denier yarn used in the Qualitex cover material is yellowed off-white.

51. Qualitex uses the ornamental green-gold dye to associate that color to its "SUN GLOW®" press pads.

52. Green-gold color dye on the cover material of a press paid does not make the press pad perform better. The color itself does not affect the quality of the goods one way or another.

53. Color itself makes the press pad more pleasing in appearance and only makes it look better.

54. The green-gold color dye for cover material is more expensive than other colors.

55. The use of the green-gold color does not make the press pad last longer.

56. Qualitex' green-gold color is a non-primary color, and is merely a shade of green.

57. There is no competitive need in the press pad industry for the green-gold color, since other colors are equally usable.

58. There is a competitive need in the press pad industry for color, but the range of tones of available distinctive suitable colors, which need not be primary colors, is in the hundreds, if not thousands.

***Damages***

59. The press pads sold by Qualitex and Jacobson to distributors have a retail price range from $13.00 to $195.00. The average range is $38.00 to $55.00.



60. Through December, 1990 Bishop Freeman Company manufactured 1,671 Magic Glow press pads for Jacobson in the green-gold color. At time of trial about 300 remained in inventory. The court concludes that approximately 1,371 were sold.

61. Jacobson sold Magic Glow press pads to the industry at an average price of $24.00 per pad.

62. Jacobson had actual notice of Qualitex' federal registration of the green-gold color for press pads at least as early as March 4, 1991.

## *CONCLUSIONS OF LAW*

***Infringement of Registered Trademark***

1. In order to succeed on its registered trademark claim, Qualitex must prove that (1) it possesses a valid trademark, and (2) that Jacobson's use of a similar mark is likely to cause confusion, mistake or deception in the marketplace. *Charles Schwab & Co. Inc. v. Hibernia Bank,* 665 F. Supp. 800, 803 (N.D. Cal. 1987).

2. Qualitex has a valid trademark registered on the Principal Register of the Patent and Trademark Office for the green-gold mark which is the subject of Registration No. 1,633,711, issued February 5, 1991.

3. The certificate No. 1,633,711 issued by the United States Patent and Trademark Office is *prima facie* evidence of: (i) the validity of the Qualitex' registered mark, (ii) of Qualitex' ownership of the mark, and (iii) of Qualitex' exclusive right to use the registered mark in commerce on or in connection with the goods specified in the certificate, subject to any conditions or limitations stated in said certificate. 15 U.S.C. §1057(b).

4. The burden is on Jacobson to prove by a preponderance of the evidence that Qualitex' federal registration is invalid -- 578 F.2d 295, 301 (CCPA, 1978).

5. Jacobson has failed to meet its burden to prove that Qualitex' trademark Registration No. 1,633,711 is invalid and therefore the relief requested in the Counterclaim to cancel said Registration is denied.

6. The sale of Jacobson's press pad in the substantially similar green-gold color as Qualitex' registered trademark has created a likelihood of confusion, deception or mistake in the marketplace.

7. By selling a press pad in the substantially similar green-gold color Jacobson has infringed Qualitex registered trademark No. 1,633,711 issued February 5, 1991 by the United States Patent and Trademark Office.

8. In recognizing the trademark as valid, there is no danger of "color depletion." There are hundreds or thousands of distinctive shades of greens, yellows, blues, and browns or tans available to the competitors without danger that recognizing plaintiff's trademark will hinder completion.

***Unfair Competition***

9. The protection against unfair competition afforded by Section 43(a) of the Lanham Act covers a broad range of actionable harms. *Inwood Laboratories v. Ives Laboratories,* 456 U.S. 844, 858 (1982). This section was designed to create a cause of action beyond simple trademark infringement of the type arising under Section 32 of the Act. *Id.*; *SK&F Co. v. Premo Pharmaceutical Lab.,* 625 F.2d 1055, 1065 (3d Cir. 1980).

10. The "ultimate test" of unfair competition in the Ninth Circuit is whether consumer confusion or deception is likely as a result of the defendant's acts. *Century 21 Real*



*Estate Corp. v. Sullivan,* 846 F.2d 1175, 1178 (9th Cir. 1988).

11. Trademark infringement is but one species of the far broader law of unfair competition. McKenney & Long, *Federal Unfair Competition: Lanham Act Section 43(a),* Section 3.01, p. 3-10 (1990). The Lanham Act's statement of what constitutes unfair competition and false designation of origin does not state any requirement that a protectable trademark be at issue.

12. *Degree Of Care.* Korean and other foreign speaking purchasers of press pads are unlikely to exercise a sufficiently high degree of care to avoid purchasing a Jacobson pad when they are shown a green-gold pad which they naturally assume to be the Qualitex pad that they have come to recognize. The law protects such purchasers.

> "The law, however, protects not only the intelligent, the experienced, and the astute. It safeguards from deception also the ignorant, the inexperienced, and the gullible."

*Stork Restaurant Inc. v. Sahati,* 166 F.2d 348, 359 (9th Cir. 1948)."

13. *Intent.* Jacobson's use of Qualitex' green-gold color is intended to trade off of the goodwill that Qualitex has developed in its green-gold trademark. Evidence of such an intention is strong evidence of a likelihood of confusion, deception or mistake. *Vision Sports, Inc. v. Melville Corp.,* 888 F.2d 609, 616 (9th Cir. 1989); *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.,* 826 F.2d 837, 845-46 (9th Cir. 1987).

14. The press pad survey conducted by Elrick & Lavidge demonstrates that 39% of the respondents, when shown the Jacobson pad, believed it to be a Qualitex pad. The survey's findings are significant evidence that people

who purchase press pads are likely to be confused, mistaken or deceived when they see or encounter the accused Jacobson pad in the marketplace.

15. Surveys of the type conducted on behalf of Qualitex are relevant evidence on the issue of likelihood of confusion. *James Burrough, Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266 (7th Cir. 1976) (15% "probative"); *RJR Foods, Inc. v. White Rock*, 603 F2d 1058 (2d Cir. 1979) (15%-20% "corroborative"); *Exxon Corp. v. Texas Motor Exchange, Inc.*, 628 F.2d 500 (5th Cir. 1980) (15%, 23% "strong evidence of likelihood of confusion").

16. Jacobson is guilty of unfair competition under Section 43(a) of The Lanham Act as stated in Count II of the Complaint by (1) copying the appearance of the SUN GLOW pad and deceiving purchasers, (2) putting an inferior product into the marketplace under Qualitex' distinctive trade dress to the detriment of said purchasers and Qualitex, and (3) infringing Qualitex' registered trademark for the green-gold color for use on press pads.

***Trade Dress***

17. "A product's trade dress attains secondary meaning when the purchasing public associates the dress with a single producer or source rather than just the product itself." *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1383 (9th Cir. 1987).

18. The duration of its exclusive use of the green-gold color on its press pad, the significant amount of sales for over 30 years, and the "image advertising" of the pad by Qualitex, including consumers' awareness of that advertising as stated above, all demonstrate that the Qualitex press pad has acquired secondary meaning.

19. "[P]roof of copying strongly supports an inference of secondary meaning." *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 615 (9th Cir. 1989). *Transgo,*



*Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1016 (9th Cir. 1985), *cert. denied*, 474 U.S. 1059 (1986).

20. "In this Circuit, the aesthetic functionality test has been limited, *Vuitton*...if not rejected, *Fabrica* ... in favor of the 'utilitarian' functionality test." *First Brands Corp v. Fred Meyer Inc.*, 809 F.2d 1378, 1382 n.3 (9th Cir. 1987).

21. Qualitex' green-gold mark is not functional. In determining functionality, a product's trade dress must be analyzed as a whole. *California Cooler, Inc. v. Loretto Winery, Ltd.*, 774 F.2d 1451, 1455 (9th Cir. 1985). "[A] product feature is functional if it is essential to the [product's] use ... or if it affects the cost or quality of the article." *Inwood Laboratories, Inc. v. Ives laboratories, Inc.*, 456 U.S. 844, 850 n.10, 102 S.Ct. 2182, 2187 n.10 (1982).

22. Color is not an inherent attribute or natural characteristic of the press pad, but instead is a feature added by Qualitex and other manufacturers. The color is not added to make the product work better, it is only added as an ornamental or aesthetic adornment and to improve the appearance of the pad while being used.

23. The green-gold shade of color which distinguishes the Qualitex press pad that is being copied by Jacobson is not legally functional because it is not related in any way to the product's use, cost, quality or longevity.

24. Since Qualitex' green-gold color is not a primary or secondary color, its appropriation and exclusive use by Qualitex will not deprive competitors of the right to use a *primary color*. *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378 (9th Cir. 1987).

25. Non-primary color, akin to an overall surface design, can perform the function of a trademark when the other requirements of trademark law are met. *In re:*

*Owens-Corning Fiberglass Corp.*, 774 F.2d 1116 (Fed. Cir. 1985).

26. The total impression of the Qualitex green-gold pad and its "Sun Glow" name constitute the trade dress (overall appearance) of the Qualitex product. In order to prove that its trade dress has been infringed, Qualitex must show that: (1) the trade dress is non-functional, (2) the trade dress has acquired secondary meaning, and (3) it is likely to be confused with the trade dress of Jacobson's product by consumers. *White Swan, Ltd. v. Clyde Robin Seed Co., Inc.*, 729 F. Supp. 1257, 1259 (N.D. Cal. 1989).

27. *Strength.* Qualitex' green-gold trademark is strong. The strength of the green-gold mark supports a finding of likelihood of confusion, deception or mistake when purchasers see the Jacobson pad.

28. *Confusion.* "It is not necessary to prove actual confusion in order for plaintiff to prevail." *Geoffrey, Inc. v. Stratton*, 16 USPQ2d 1691, 1696 (C.D. Cal. 1990).

29. Qualitex' green-gold color is non-functional under the Ninth Circuit's functionality law, and the appearance of the product has acquired secondary meaning among its consumers. The survey evidence shows that confusion between Qualitex' trade dress and the Jacobson knock-off named "Magic Glow" is likely. For these reasons, Qualitex is entitled to relief on the additional basis that Jacobson has infringed the Qualitex trade dress.

30. The facts in the present case are remarkably similar to those in *Owens-Corning* and therefore also constitute an "extraordinary" case to confirm trademark protection to the green-gold color for use on press pads.



***Relief***

31. Jacobson's Sixth Affirmative Defense on unclean hands is denied.

32. Qualitex is entitled to an injunction against Jacobson's infringement of the green-gold registered trademark pursuant to 15 U.S.C. §1116.

33. Qualitex is entitled to an injunction against Jacobson's unfair competition pursuant to 15 U.S.C. §1125(a).

34. Qualitex is entitled to an injunction against Jacobson's infringement of the trade dress of Qualitex Sun Glow press pads.

35. Jacobson is liable to Qualitex for the profits it made from its infringement in the amount of $8,208.13 pursuant to 15 U.S.C. §1117.

36. While the copying was deliberate, it was done in a belief that plaintiff could not appropriate a color. In the state of the law at the time, this view was not unreasonable. Enhanced damages and attorneys' fees will not yet be awarded.

Adopted 9/3/91
Harry L. Hupp, U.S.D.J.

**IN THE UNITED STATES DISTRICT COURT**
**FOR THE NINTH CIRCUIT**

**QUALITEX COMPANY,**
**an Illinois corporation,**
*Plaintiff and*
*Counterdefendant,*

vs.

**JACOBSON PRODUCTS**
**COMPANY INCORPORATED,**
**a California corporation,**
*Defendant and*
*Counterdefendant.*

No. CV 90 1183
HLH(JRX)

JUDGMENT

THE COURT having heard and considered the evidence, deposition transcripts, and testimony at trial, having read and considered the Stipulations and Briefs of the respective parties,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. Judgment is entered in favor of the plaintiff and against the defendant on the Third Cause of Action in the Supplemental Complaint for infringement of plaintiff's registered trademark for the green-gold color on press pads. 15 U.S.C. §1116.

2. Judgment is entered in favor of the plaintiff and against the defendant on defendant's Counterclaim for cancellation of the registered green-gold trademark.

3. Judgment is entered in favor of the plaintiff and against the defendant on the First and Second Causes of Action for unfair competition under section 43(a) of the Lanham Act, 15 U.S.C. §1125(a).



4. Judgment is entered in favor of plaintiff and against the defendant in the amount of $8,208.13 representing the net profits made by defendant from the sale of the infringing Magic Glow pads, plus costs in the amount of $6,514.00.

5. The defendant Jacobson Products Company, its agents and employees and all those in active concert or participation with them, who have actual notice of this order, are hereby permanently enjoined from manufacturing, marketing or selling press pads made of any fabric using the same green-gold color of the Qualitex press pads, or so close to said color that it cannot be easily distinguished from the Qualitex color by the casual user.

Dated: Sept. 3, 1991

ss/ HARRY L. HUPP

STATES DISTRICT JUDGE UNITED

(3)

Supreme Court, U.S.
FILED
JUN 15 1994
OFFICE OF THE CLERK

No. A-921 (93-1577)

In The

# Supreme Court of the United States

October Term, 1993

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QUALITEX COMPANY

*Petitioner,*

v.

JACOBSON PRODUCTS CO., INC.

*Respondent,*

---

On Petition For Writ of Certiorari
To The United States Court Of Appeals
For The Ninth Circuit

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## BRIEF IN OPPOSITION

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## QUESTIONS PRESENTED

1. Whether the instant case presents an actual case or controversy for adjudication by this Court;

2. Whether the settled rule generally denying registration of color *per se* requires review and adjudication by this Court;

3. Whether the Ninth Circuits cancellation of United States Patent and Trademark Office Certificate of Registration No. 1,633,711 in the name of Qualitex Company for the green-gold color of the Qualitex press pads presents a sufficiently novel or important question such that the writ should be granted.

## PARTIES TO THE PROCEEDINGS BELOW

Respondent JACOBSON PRODUCTS CO., INC. was the Defendant-Appellant in the Court of Appeals. JACOBSON PRODUCTS CO., INC., has no parent or subsidiary company.

Petitioner QUALITEX COMPANY was the Plaintiff-Appellee in the Court of Appeals.



## TABLE OF CONTENTS

QUESTIONS PRESENTED . . . . . i

PARTIES TO THE PROCEEDINGS BELOW . . . . . ii

TABLE OF AUTHORITIES . . . . . vi

STATEMENT OF THE CASE . . . . . 1

I. Factual Background . . . . . 1

II. Summary of Argument . . . . . 3

A. As To The Case Or Controversy Requirement . . . . . 3

B. As To The Trademark Issues . . . . 4

C. As To The Propriety Of Cancellation Of The Qualitex Mark . . . . . 5

REASONS FOR DENY THE WRIT . . . . . 5

I. THE WRIT DOES NOT PRESENT AN ACTUAL CASE OR CONTROVERSY TO THIS COURT . . . . . 5

II. ABSENT AN ACTUAL CASE OR CONTROVERSY AN ALLEGED CONFLICT BETWEEN CIRCUITS ALONE DOES NOT WARRANT GRANTING THE WRIT; IN ANY EVENT, THE NINTH CIRCUIT DID NOTHING MORE THAN FOLLOW THE OVERWHELMING MAJORITY VIEW THEN IT HELD THAT THE COLOR OF THE QUALITEX PRESS PAD WAS NOT PROTECTIBLE AS A TRADEMARK AS A MATTER OF LAW . . . . . 7

A. An Alleged Conflict Between Circuit Courts Is Irrelevant Absent An Actual Case Or Controversy . . . . . 7

B. Review Of The Ninth Circuit's Opinion Is Unncessary Because The Case Was Resolved On Factual Grounds That Did Not Involve Differing Views Of The Law . . . . . 8

C. The Ninth Circuit Did Nothing More Than Follow The Overwhelming Weight Of Authority When It Ordered Cancellation Of The Qualitex Color Mark . . . . . 9

III. THE ISSUES RELATING TO WHETHER THE NINTH CIRCUIT PROPERLY CANCELLED THE QUALITEX COLOR MARK DOES NOT PRESENT SUCH NOVEL OR IMPORTANT



QUESTIONS THAT GRANTING THE INSTANT WRIT ON THAT BASIS ALONE IS COMPELLED . . . . . 13

IV. CONCLUSION . . . . . 15

## TABLE OF AUTHORITIES

### A. CASES

*Burke v. Barne*
(1987) 479 U.S. 360, 107 S.Ct. 734, 93
L.Ed. 2d 732 . . . . . 5

*Burlington Northern R. Co. v. Maintenance of Way Employees*
(1987) 481 U.S. 429, 107 S.Ct. 1841, 95
L.Ed. 2d 381 . . . . . 8

*Campbell Soup Co. v. Armour & Co.*
(3d Cir. 1949) 175 F.2d 795 . . . . . 10

*Computerland Corp. vs. Microland Computer Corp.*
(N.D.Cal. 1984) 586 F.Supp. 22 . . . . . 14

*Diamond Match Co. v. Saginaw Match Co.*
(6th Cir. 1906) 142 Fed. 727 . . . . . 9

*First Brands Corp. v. Fred Meyer, Inc.*
(9th Cir. 1987) 809 F.2d 1373 . . . . . 11

*Fram Corp. v. Boyd*
(5th Cir. 1956) 230 F.2d 931 . . . . . 11

*Honig v. Doe*
(1987) 484 U.S. 305, 108 S.Ct. 592, 98
L.Ed. 2d 686 . . . . . 5, 8



*In Re Owens-Corning Fiberglas Corp.*
(Fed. Cir. 1985) 774 F.2d 1116 . . . . . 10

*In Re L.E. Waterman Co.*
(1909) 34 App. D. C. 185 . . . . . 10

*Life Savers Corp. v. Curtis Candy Co.*
(7th Cir. 1950) 182 F.2d 4 . . . . . 10

*Lufkin Rubber Co. v. Master Rule Mfg. Co.*
(U.S. Cust. & Pat. Appeals, 1930) 40 F.2d 991 . . . 11

*Master Distributors, Inc. v. Pako Corp.*
*(8th Cir. 1993) 986 F.2d 219* . . . . . 10

*Neva, Inc. v. Christian Duplication Inter., Inc.*
(M.D. Fla. 1990) 743 F. Supp. 1533 . . . . . 14

*Omega Oil v. Weschler*
71 N.Y. Supp. 983, 35 Misc. Rep. 441 . . . . . 10

*Shaeffer Pen Co. v. Coe*
(D.C. 1939) 27 F. Supp. 380 . . . . . 10

*Smith, Kline & French Co. v. American Druggists Syndicate*
(2d Cir. 1921) 273 F. 84 . . . . . 10

*Southern Calif. Fish Co. v. White Star Canning Co.*
(1920) 45 Cal. App. 426, 187 Pac. 981 . . . . . 10

*Taylor v. Bostick*
(3d Cir. 1927) 299 F. 232 . . . . . 11

*United States Parole Comm'n v. Geraghty*
(1980) 445 U.S. 388, 100 S. Ct. 1202, 63
L. Ed.2d 479 . . . . . 8

*Wisconsin Electric Co. v. Dunmore Co.*
(1931) 282 U.S. 813, 51 S. Ct. 214, 75
L. Ed. 728 . . . . . 9

**B. OTHER AUTHORITIES**

McCarthy, *Trademarks and Unfair Competition*,
§7.16 (2d Ed. 1984) . . . . . 10

McCarthy, *Trademarks and Unfair Competition*,
§7.26 (2d Ed. 1984) . . . . . 9



## STATEMENT OF THE CASE

This case does not involve, as posited by Qualitex, the "cancellation ... of a trademark registration ... for a trademark comprised of a color" (*Petition,* p.6). This case involves the question of whether the color of the *product itself* may be protected as a trademark under the Lanham Act, where such color is not employed in association with a name, symbol, device, design or logo.

Even before the Court considers whether this question warrants granting of the instant writ, this Court must first decide in the first instance whether the instant writ presents a requisite actual case or controversy for adjudication by the Court.

### I. Factual Background

Jacobson has been in business since 1951 and is a well-known manufacturer and distributor of products used in the commercial dry-cleaning business (*Petition,* App. B, 18a, ¶22). Jacobson supplies approximately 600 products to the dry cleaning and garment industries through 450-500 distributors. (*id.*). Jacobson was the inventor of a product known as the "Magic Ironing Shoe" and many of its products are sold using the word "Magic ...". Jacobson is so well known in the dry cleaning industry that the President of Qualitex testified at trial that the word "Magic" has become exclusively associated with Jacobson products in the dry cleaning industry. R.T. Vol. I, 107:16 - 108:17). Jacobson called its press pad the "Magic Glow" pad in order to take advantage of that strong industry association. R. 73.

Prior to June, 1988, Jacobson marketed a press pad known as the "Bishopad" manufactured by Bishop Freeman

Company. *Petition,* App. B, p. 18a. After June 1989, Jacobson began to manufacture and sell a press pad that was identical in color to the "Sun Glow®" pad manufactured by Qualitex, but clearly and unambiguously marketed under the Jacobson name. *id.* At trial, the principals of Jacobson were forthright in their testimony that Jacobson attempted to duplicate the color of the Qualitex press pad *(id.,* 18a-20a, ¶¶26-35).

However, the trial record shows that, other than the identity of color of the respective press pads and their respective shapes (a purely functional feature dictated by the shape of the steam press on which the pads are intended to be used, *e.g.* R. 73), there were and are no other similarities between the two pads. Jacobson and Qualitex each sold their respective press pads under each of their already well-established tradenames, and, in the case of Qualitex, the press pad was sold under a prominent brand name registered as a trademark by Qualitex - the "Sun Glow®" Pad. The packaging on the Qualitex box containing the press pads used a shade of green entirely different than the shade used on the press pads themselves. R. T. Vol. I, 60:10-13). Jacobson marketed its press pad under the brand name "Jacobson's Magic Glow" pad. At no time did Jacobson ever attempt to "pass off" a "Magic Glow" pad as a Qualitex "Sun Glow®" pad, nor did the district court ever make such a finding.

Ever since the injunction was entered by the district court, Jacobson has lawfully obeyed the injunction and has not attempted or threatened to market a press pad duplicating the color used by Qualitex. Even if this Court were to grant the instant writ and ultimately rule that the the registered Qualitex color mark should be reinstated on the Principal Register of the Patent and Trademark Office, Jacobson legal duties to Qualitex under the already existing



injunction will be unaffected. No decision by this Court will affect the rights of Jacobson in terms of the ultimate relief sought by Qualitex in this case (Qualitex won the injunction it sought) and no decision by this court will affect the ultimate outcome of the case: the district court's award of damages and injunctive relief to Qualitex as affirmed by the Ninth Circuit.

## II. Summary of Argument

### A. As To The Case or Controversy Requirement.

The instant writ fails to present an actual case or controversy to this Court for adjudication. Jacobson will be entirely unaffected by the outcome of this appeal. The district court has enjoined Jacobson from manufacturing or selling a press pad with the same or confusingly similar color as that used on the Qualitex "Sun Glow®" pad. That injunction was based on the separate and independent findings by the district court that Jacobson had infringed the registered Qualitex color mark and upon the district court's finding that Jacobson violated the unfair competition provisions of §43(a) of the Lanham Act. Because the subject injunction remains in effect based on the factual grounds set forth in the separate, independent unfair competition findings made by the district court, it matters not to Jacobson whether this Court reinstates the Qualitex registered mark, in essence "reactivating" the alternate ground on which the injunction was originally based. Either way, Jacobson is enjoined from duplicating the color of the Qualitex press pad.

While this case might have presented an actual, ongoing controversy to the Ninth Circuit (Jacobson appealed

from all findings of the district court, including the judgment re: unfair competition), it does not present such a situation to this Court now.

### B. As To The Trademark Issues

While there admittedly appears to be a split between the Federal Circuit and the Eighth Circuit, on the one hand, and the Third, Seventh and Ninth Circuits, on the other hand, as to the issue of trademark protection for color *per se*, a split between the circuits alone cannot substitute for a constitutionally required actual case or controversy and is insufficient in and of itself to invoke the discretionary jurisdiction of this Court.

In any event, there is no compelling reason why this Court should review the decision below of the Ninth Circuit. The overwhelming majority view in both the federal circuits and state courts is that trademark protection should be denied for mere color *per se* employed on the product itself because sufficient protection for color exists when color is incorporated in a symbol, device or design that is registerable under the Lanham Act. This is a settled point of law, and the Ninth Circuit did nothing more than follow the historical majority view as to the instant issue.

This Court has once denied *certiorari* in a case raising an identical issue, *Nutrasweet Co. vs. Stadt Corp.* (7th Cir. 1990) 917 F.2d 1024, *certiorari denied* 111 S. Ct. 1640, 113 L.Ed.2d 735, even though such denial of *certiorari* clearly left standing a conflict between the Federal Circuit and the Seventh Circuit as to the precise issue in question here. There is no new compelling reason why *certiorari* should be granted in the instant case.



### C. As To The Propriety Of Cancellation Of The Qualitex Mark.

The Ninth Circuit acted well within its jurisdiction and perogative when it ordered cancellation of the Qualitex registered color mark. The final determination of whether a particular asserted mark is protectible as a trademark or registerable under the Lanham Act is a question of law that may properly be determined in the final instance by the federal courts, notwithstanding contrary findings of the Patent and Trademark Office. The instant case presents no novel or important question of law sufficiently compelling to warrant granting of the writ.

## REASONS FOR DENYING THE WRIT

### I.

### THE WRIT DOES NOT PRESENT AN ACTUAL CASE OR CONTROVERSY TO THIS COURT

It is axiomatic constitutional law that this court may only adjudicate actual cases or controversies. *Burke v. Barnes,* (1987) 479 U.S. 360, 362, 107 S.Ct. 734, 736, 93 L.Ed.2d 732. As this Court stated in *Honig v. Doe*, (1987) 484 U.S. 305, 318, 108 S.Ct. 592, 601, 98 L.Ed.2d 686:

> "Under Article III of the Constitution this Court may only adjudicate actual, ongoing controversies. *Nebraska Press Ass'n v. Stuart,* 427 U.S. 539, 546, 96 S.Ct. 2791, 2796, 49 L.Ed.2d 683 (1976); *Preiser v. Newkirk,* 422 U.S. 395, 401, 95 S.Ct. 2330, 2334, 45 L.Ed.2d 272 (1975). That the

> dispute between the parties was very much alive when the suit was filed, or at the time the Court of Appeals rendered its judgment, cannot substitute for the actual case or controversy that an exercise of this Court's jurisdiction requires. *Steffel v. Thompson*, 415 U.S. 452, 459, n. 10, 94 S.Ct. 1209, 1216, n. 10, 39 L.Ed.2d 505 (1974); *Roe v. Wade*, 410 U.S. 113, 125, 93 S.Ct. 705, 713, 35 L.Ed.2d 147 (1973)."

The instant case does not present such a justiciable controversy to this Court. Jacobson has paid the damages awarded by the district court to Qualitex, is enjoined from duplicating the color of the Qualitex press pad, and would remain enjoined irrespective of whether this Court grants the writ, hears the Qualitex appeal, and reinstates the subject certificate of registration to Qualitex. Both the award of damages and the issuance of the subject injunction can be separately sustained on the district court's unfair competition findings. Thus, the only party that will be affected by this appeal is Qualitex, which apparently now seek to enlist this Court as its trademark counsel vis a vis the Ninth Circuit.

The Qualitex complaint alleged that the duplication of the color of its press pad by Jacobson infringed the Qualitex trademark and constituted unfair competition under §43(a) of the Lanham Act. R.1. The Complaint sought damages and, most important to Qualitex, an injunction against further alleged infringement by Jacobson *id.* The district court awarded both damages and the injunction sought by Qualitex (*Petition,* App. B, p. 29a). The fact that the injunction issued by the district court was based on the unfair competition findings as well as the trademark infringement findings, *id.*, and can be independently sustained thereon, renders this case non-justiciable because



the outcome of the case, and the relief awarded to Qualitex, will not be affected. In essence, Qualitex seeks to have this court issue what amounts to an advisory opinion on Qualitex's right to the alleged mark. The argument advanced by Qualitex to the effect that a registered mark grants heavier and more substantive rights than the trade dress protection awarded by the district court (*Petition,* p.8, n. 4) does not transmute what amounts to a non-justiciable dispute into an actual case or controversy.

Because the instant case does not present a requisite actual case or controversy to this Court for adjudication, the instant writ should be denied.

## II.

## ABSENT AN ACTUAL CASE OR CONTROVERSY, AN ALLEGED CONFLICT BETWEEN CIRCUITS ALONE DOES NOT WARRANT GRANTING OF THE WRIT; IN ANY EVENT, THE NINTH CIRCUIT DID NOTHING MORE THAN FOLLOW THE OVERWHELMING MAJORITY VIEW WHEN IT FOUND THAT THE COLOR OF THE QUALITEX PRESS PAD WAS NOT PROTECTIBLE AS A TRADEMARK AS A MATTER OF LAW

### A. An Alleged Conflict Between Circuit Courts Is Irrelevant Absent an Actual Case or Controversy.

The simple fact that an alleged conflict exists between circuit courts on any particular point of law is

irrelevant if the case at bar fails to present a constitutionally justiciable case for review. *Honig v. Doe, supra.* In the instant case, there had been no evidence whatsoever presented by Qualitex which demonstrates that this Court has been presented with an actual case or controversy. There is no evidence that Qualitex faces "some likelihood" that it will face the same alleged wrongful conduct on the part of Jacobson again or that such prospect is "reasonably likely" , *see, e.g. United States Parole Comm'n v. Geraghty,* 445 U.S. 388, 398, 100 S.Ct. 1202, 1210, 63 L.Ed.2d 479 (1980); *Burlington Northern R. Co. v. Maintenance of Way Employees*, 481 U.S. 429, 436, n. 4, 107 S.Ct. 1841, 1846, n. 4, 95 L.Ed.2d 381 (1987). Absent an actual case or controversy, the Court need not reach the issue of whether a sufficient conflict between the circuit courts exists that the instant writ should be granted.

### B. Review Of The Ninth Circuit's Opinion Is Unnecessary Because The Case Was Resolved By The District Court On Factual Grounds That Did Not Involve Differing Views Of The Law

As set forth above, the injunction issued by the district court in this case was based on two separate independent findings: first, that Jacobson had infringed Qualitex's valid registered color mark (*Petition,* App. B, p. 29a, ¶32) and, second, that the color of the Qualitex pad was protectible trade dress and that Jacobson had committed unfair competition under §43(a) of the Lanham Act when Jacobson duplicated that color (*Petition,* App. B, p. 29a, ¶34). The latter ground was entirely fact-driven, based primarily on Qualitex's showing that the color of the Qualitex pad had achieved secondary meaning (*Petition,*



App. B, pp. 16a-21a), and constitutes an adequate basis for the district court's award of monetary damages and injunctive relief to Qualitex and did not involve any resolution by the district court of differing legal views on an unsettled issue of law.

In such circumstances, where a case can be or was resolved on adequate factual grounds not involving differing views of the law, *certiorari* should be denied. *Wisconsin Electric Co. v. Dunmore Co.,* (1931) 282 U.S. 813, 51 S. Ct. 214, 75 L.Ed. 728.

### C. The Ninth Cirucit Did Nothing More Than Follow The Overwhelming Weight of Authority When It Ordered Cancellation Of The Qualitex Color Mark

The opinion of the Ninth Circuit (*Petition*, App. A) did nothing more than follow the overwhelming weight of authority on the issue of whether color *per se* alone can ever act as a trademark. The Court need not become involved in what amounts to a settled rule of law.

A color *per se* is a color used in a uniform, non-distinctive manner, and not in connection with any definite arbitrary symbol or design. McCarthy, *Trademarks and Unfair Competition* §7:26 (2d Ed. 1984) (hereinafter "McCarthy, Trademarks"). Jacobson would submit that it is settled law that colors *per se* cannot be monopolized as trademarks. As long ago as 1906, the Court in *Diamond Match Co. v. Saginaw Match Co.* 142 Fed. 727 (6th Cir. 1906) stated:

> "Sometimes a color, taken in connection with other characteristics may serve to distinguish one's goods and thus be protected by the courts, but, as a rule a color cannot be monopolized to distinguish a

product."

In *Life Savers Corp. v. Curtiss Candy Co.* 182 F.2d 4,9 (7th Cir. 1950), the Court, citing the Seventh Circuit in *Diamond Match*, supra, stated:

> "As a rule color cannot be monopolized to distinguish a product. Color is not subject to trade-mark (sic) monopoly except in connection with some definite arbitrary symbol or design."

In *Campbell Soup Co. v. Armour & Co.* 175 F.2d 795, 798 (3d Cir.), cert. denied 338 U.S. 847, 70 S.Ct. 88, 94 L.Ed. 518 (1949), the Third Circuit pointed to the limit of the number of available colors as one reason for the "absolute prohibition" against the protectability of color *per se*.

As described by Professor McCarthy, the mere color rule specifies: "A color, per se, is not capable of appropriation as a trademark. That is, one seller cannot feature a certain color and claim that 'This is my color. No one else in the trade can use this color'". McCarthy, *Trademarks*, §7:16.

Virtually every Court, save and except the extremely narrow decision by the Federal Circuit in *In re Owens-Corning Fiberglas Corp.* (Fed. Cir. 1985) 774 F.2d 1116 and the anomolous opinion of the Eighth Circuit in *Master Distributors, Inc. v. Pako Corp.* (8th Cir. 1993) 986 F.2d 219, has soundly and firmly rejected claims of trademark protection for color *per se*. See, *Smith Kline & French Co. v. American Druggists Syndicate* 273 F. 84 (2d Cir. 1921) (red background color of aspirin label not protectable); *Re L.E. Waterman Co.* 34 App.D.C. 185 (1909) (color of fountain pen); *Shaeffer Pen Co. v. Coe* 27 F.Supp. 380 (D.C. 1939) (plating in a particular color); *Omega Oil v.*



*Weschler* 71 N.Y. Supp. 983, 35 Misc. Rep. 441; (green color of soap and soap box); *Southern California Fish Co. v. White Star Canning Co.* 45 Cal.App.426, 431, 187 Pac. 981, 983 (1920); *Taylor v. Bostick* 299 F. 232 (3d Cir. 1927) (gold label color not protectable); *Fram Corp. v. Boyd* 230 F.2d 931 (5th Cir. 1956) (orange and black color of box packaging not protectable); and *Lufkin Rubber Co. v. Master Rule Mfg. Co.* 40 F.2d 991 (U.S. Cust. & Pat Appeals, 1930). The color asserted to be a trademark in the instant case is not a decorative design or color scheme, but the color of the product itself.

Throughout this case, Jacobson has argued that Qualitex has read too much into the *Owens-Corning* opinion. The facts in that case were described by the Ninth Circuit in *First Brands Corp. v. Fred Meyer, Inc.* (9th Cir. 1987) 809 F.2d 1373, 1382 as "an extraordinary situation" and an "unusual set of facts", *id.* No such extraordinary facts appear in the case at bar because the facts in *Owens-Corning* are far different from those in the instant case, no matter how hard Qualitex seeks to demonstrate to the contrary. *Owens-Corning* was the only manufacturer of wall insulation to have colored its product over a period of more than 20 years and to have based advertising on that color. All other wall insulation manufacturers sold the product in its native straw color.

In the instant case, all press pad manufacturers apply color to their respective press pads. Qualitex has used the "Sun Glow®" green-gold color for many years, but other press pad manufacturers have used color on their pads for many years as well. (*Petition*, App. B, p. 22a, ¶58). Jacobson introduced substantial evidence at trial that a white or uncolored pad is unsaleable because the pad becomes scorched with use and is rendered unsightly if color is not present to mute or disguise the inevitable scorch marks. In (*Petition*, App. B, p. 22a, ¶53). In fact, the district court

specifically found that there is a competive need for color in the manfacture of press pads. (*Petition*, App. B, p. 22a, ¶58).

Jacobson has consistently argued that the opinion in *Owens-Corning* should be limited to those "unusual" facts and that the case should not be viewed as repudiating the color depletion theory. Unfortunately, the Eighth Circuit chose to view the *Owens-Corning* opinion much more broadly than the opinion warrants. However, unlike *Owens-Corning* and the Ninth Circuit's opinion in the case at bar, the opinion of the Eighth Circuit in *Master Distributors* arose not from a fully litigated judgment but from reversal of summary judgment. Indeed, the case was at such an early stage that the Eighth Circuit reversed the district court's findings on the trademark and unfair competition findings because it was improper to grant summary judgment "at this early stage with regard to such a factual issue" to allow more discovery thereon to be taken. *Master Distributors, supra,* at 986 F. 2d at p. 225.

Thus, all the Ninth Circuit did in its opinion was to follow the overwhelming historical majority view on this issue. This Court need not and should not be called to resolve or judge the majority and minority views on every point of federal law, and should not and need not do so in the case at bar.



## III.

## THE ISSUES RELATING TO WHETHER THE NINTH CIRCUIT PROPERLY CANCELLED THE QUALITEX COLOR MARK DO NOT PRESENT SUCH NOVEL OR IMPORTANT QUESTIONS OF LAW THAT GRANTING THE INSTANT WRIT ON THAT BASIS ALONE IS COMPELLED

Qualitex makes much of the fact that the Patent and Trademark Office registered the green-gold color of its press pads, arguing the decision of the Ninth Circuit "failed to completely give deference to the statutory construction and factual findings of the Patent and Trademark Office" (*Petition,* p. 18). However, the Ninth Circuit did not disturb any factual findings of the Patent and Trademark Office. The opinion of the Ninth Circuit on the issue of protectibility of the Qualitex mark was on a pure issue of law. The Ninth Circuit ruled that the color of the Qualitex press pad was not protectible as a trademark *irrespective* of any factual finding that the color had acquired secondary meaning. In any event, cancellation of the Qualitex color mark was well within the power and jurisdiction of the Ninth Circuit and no important or novel issues of law are raised thereby.

The Ninth Circuit's function as a federal appeals court does not require that it blindly and slavishly follow the decisions of the Patent and Tradmark Office. The ultimate arbiters of federal rights are the federal courts. As stated by the Ninth Circuit in *Nancy Ann Storybook Dolls* (9th Cir. 1952) 197 F.2d 293, 295, a case where the Court affirmed rejection of trademark status for the names of certain of appellants doll products:

"The Appellant makes much of the fact that these trademarks were registered by the patent office. Such registration does not, of course, bind this court. *Jacuzzi Bros. v. Berekely Pump Company*, 9 Cir. 191 F.2d 632. It is our responsibility to decide whether the registered trademark is entitled to legal protection."

In *Computerland Corp. vs. Microland Computer Corp.* (N.D. Cal. 1984) 586 F.Supp. 22, 24-5, the Court affirmed the trial court's grant of summary judgment in favor of defendant Microland notwithstanding contrary views of the Patent and Trademark Office:

"Registration of trade or service marks with the United States Copyright Office [sic] affords presumptive protection in the use of the mark. Such registration, as plaintiff did in late 1976 or early 1977, does not insulate the mark from the sort of legal challenge defendant mounts here (citing *Dollcraft*, supra.). The United States Copyright Office [sic] merely performs the mechanical function of scrivener: one sends in the fee and mark; the Office verifies that that particular mark has not yet been recorded. *Registration of the mark includes no review of the legal status of the mark; determination of whether the mark is protected against an instance of alleged encroachment is left solely within the judgment of the courts.*" (emphasis added)



In *Neva, Inc. vs. Christian Duplication Inter., Inc.* (M.D.Fla. 1990) 743 F.Supp. 1533, 1549, the Court stated:

"The Court is empowered to cancel a trademark where the validity of the mark is placed in issue. *Gear, Inc. vs. L.A. Gear California, Inc.* 670 F.Supp. 508, 512 (S.D.N.Y. 1987) ... The Court may also cancel a trademark registration within five years from the initial date of registration for any reason that would have been sufficient to deny the initial registration."

Thus, by adjudicating that the color of the Qualitex press pad was not capable of protection as a trademark, the Ninth Circuit merely performed a traditional and proper judicial function as the final arbiter of whether the subject registered mark was or is capable of trademark protection. This determination by the Ninth Circuit raises no important or novel issues of law such that this Court should grant the instant writ. If the Court were to grant *certiorari* on this basis alone, this Court would be faced with similar petitions every time a circuit court cancels a registered mark. The results of this traditional and routine judicial function should not invoke the jurisdiction of this Court.

## IV.

## CONCLUSION

For all of the foregoing reasons, and based on the authorities cited hereinabove, it is respectfully submitted that the instant writ should be denied in its entirety.

Dated: June 16, 1994

Respectfully submitted,

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(20)

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No. 93-1577

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1993

QUALITEX COMPANY,

Petitioner,

v.

JACOBSON PRODUCTS CO., INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

# PETITIONER'S REPLY BRIEF

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11 pp

# TABLE OF CONTENTS

Page

I. THIS CASE PRESENTS A JUSTICIABLE CONTROVERSY . . . . . 2

II. CONCLUSION . . . . . 7

TABLE OF AUTHORITIES

Page

**CASES**

*Aetna Life Ins. Co. v. Haworth*, 300 U.S. 22 (1936) 3

*Asarco Inc. v. Kadish*, 490 U.S. 605 (1989) . . . . 5

*Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation*, 402 U.S. 313 (1971) . . . . 5

*Cardinal Chemical Co. v. Morton International, Inc.*, 113 S. Ct. 1967 (1993). . . . 2, 3, 4, 5, 6

*Church of Scientology of California v. U.S.*, 113 S. Ct. 447 (1992) . . . . . 4

*Flast v. Cohen*, 392 U.S. 83 (1968) . . . . . 5

*Honig v. Doe*, 484 U.S. 305 (1987) . . . . . 4

*Mills v. Green*, 159 U.S. 651 (1895) . . . . . 4

*Nutrasweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990); *cert. den.*, 499 U.S. 983 (1991) . . 6

*Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985) . . . . . 4

*Penguin Books USA Inc. v. Walsh*, 929 F.2d 69 (2nd Cir. 1991) . . . . . 7

*Preiser v. Newkirk*, 422 U.S. 395 (1975) . . . . . 4

*United States v. Correr*, 260 U.S. 482 (1923) 6



**STATUTES**

28 U.S.C. § 2201 . . . . . 2

**MISCELLANEOUS**

Notes, *The Mootness Doctrine in the Supreme Court*, 88 Harv. L. Rev. 373, 374 (1974-75) . . . . . 4

No. 93-1577

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TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

# PETITIONER'S REPLY BRIEF

Petitioner, Qualitex Company ("Qualitex"), replies to the argument first raised in Respondent's Brief In Opposition; namely, that the instant case fails to present a justiciable issue for adjudication by this Court. In taking this position, Respondent, Jacobson Products Co., Inc. ("Jacobson"), completely ignores the ongoing controversy raised by its counterclaim for cancellation of Qualitex' registered trademark, focusing instead solely upon the allegations raised in Qualitex' complaint. It is from the decision of the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") on Jacobson's counterclaim for cancellation that Qualitex appeals.

## I. THIS CASE PRESENTS A JUSTICIABLE CONTROVERSY

In its Brief In Opposition, Jacobson argues for the first time that this case does not present a justiciable controversy. Brief in Opposition, p. 6. Jacobson argues that because it has been enjoined on unfair competition grounds from selling infringing press pads and it has paid the money damages awarded, a reversal of the Ninth Circuit's decisions on either the invalidity of the Qualitex trademark registration or Jacobson's non-infringement would in no way alter the relief already granted to Qualitex on the claims of its complaint. Brief in Opposition, p. 7.

Jacobson's argument ignores the basis for Qualitex' petition: the Ninth Circuit's order on Jacobson's counterclaim which cancels Qualitex' federal trademark registration for the green-gold mark. Jacobson brought that counterclaim seeking a declaratory judgment pursuant to 28 U.S.C. § 2201, which provides that "[a]ny such declaration shall have the force and effect of a final judgment and shall be reviewable as such." 28 U.S.C. § 2201(a). The questions presented in the Petition remain alive with respect to whether the relief granted to Jacobson on its counterclaim was proper. Jacobson cannot avoid review of the judgment in its favor by simply stating that it is inclined not to defend that judgment. The Ninth Circuit's order, if allowed to stand, deprives Qualitex of valuable legal rights and represents an ongoing controversy between the parties with regard to the registrability of Qualitex' color trademark.

This case presents a justiciable "case or controversy" under Article III of the Constitution. A defendant's declaratory judgment counterclaim for invalidity gives rise to an independent and ongoing controversy that is not mooted by a decision on plaintiff's charges of infringement. *Cardinal Chemical Co. v. Morton International, Inc.*, 113 S. Ct. 1967, 1975 (1993). In the *Cardinal Chemical* case, this Court stated with respect to a counterclaim for patent invalidity: "[a] party seeking a



declaratory judgment of invalidity presents a claim independent of the patentee's charge of infringement." *Id.* The posture of the *Cardinal Chemical* case before this Court is similar to the posture of the instant case except that the appellate court in *Cardinal Chemical* vacated the holding below that the plaintiff's patents were invalid.[1] Here, the order of the Ninth Circuit, if allowed to stand, will result in cancellation of Qualitex' trademark registration.

If the courts below have jurisdiction over a declaratory judgment counterclaim, this Court also has jurisdiction absent an intervening event. As this Court explicitly concluded in *Cardinal Chemical*:

> If [the Federal Circuit] had jurisdiction while the case was pending before it, the case remains alive (barring other changes) when it comes to us. . . . [N]othing prevents us, as a jurisdictional matter, from reviewing the Federal Circuit's disposition (even its vacatur) of the District Court's resolution of the declaratory judgment counterclaim." *Id.* at 1975.

In the instant case, Jacobson's declaratory judgment counterclaim plainly presented a case or controversy before both the District Court and the Ninth Circuit, giving those courts jurisdiction. *Cf. Aetna Life Ins. Co. v. Haworth*, 300 U.S. 22 (1936)(A valid claim under the Declaratory Judgment Act constitutes a case or controversy pursuant to

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[1] In *Cardinal Chemical*, the plaintiff, Morton, appealed from the District Court's decision in favor of the defendant on both the charges of infringement and on the defendant's counterclaims. *Id.* at 1970. The Federal Circuit affirmed the District Court's decision regarding non-infringement and, finding that the question of patent validity was mooted by the decision of non-infringement, vacated the District Court's judgment holding Morton's patents invalid. In the present case, Jacobson, like Cardinal Chemical, was charged with infringement. Jacobson responded to the trademark infringement and unfair competition claims brought by Qualitex with a declaratory judgment counterclaim seeking to have Qualitex' trademark registration declared invalid and cancelled.

Article III of the Constitution). Jacobson bears the burden of demonstrating that there has been an intervening event which now divests this court of jurisdiction to hear Qualitex' appeal regarding that counterclaim. *Id.* at 1976. There has been no such intervening event. Based upon *Cardinal Chemical*, the relief awarded to Qualitex on the claims if its complaint is not such an event and Jacobson has cited no others.[2]

Qualitex' case does not present an abstract question or require the Court to declare principles or rules that cannot affect the matter in issue. *See Church of Scientology of California v. U.S.*, 113 S. Ct. 447, 449 (1992); *Mills v. Green*, 159 U.S. 651, 653 (1895). *See Honig v. Doe*, 484 U.S. 305, 318 (1987). *See also* Notes, *The Mootness Doctrine in the Supreme Court*, 88 Harv. L. Rev. 373, 374 (1974-75). Whether a color alone may be registered as a trademark under the Lanham Trademark Act is a narrowly-focused issue presented in the context of whether the particular registration owned by Qualitex is valid and enforceable. The judicial proceedings below resulted in a final judgment that threatens to divest Qualitex of the tangible, valuable, and substantial legal rights it possesses by virtue of its trademark registration. *See Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 199-200 (1985)(Registration of a trademark under the Lanham Act creates substantive and valuable rights).

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[2] It is noteworthy that, with one exception, each case cited by Jacobson in support of its position that no case or controversy is present in the instant case, this Court held that in fact a justiciable issue or controversy was present. The single case in which mootness was found is an inapposite criminal case in which no declaratory judgment counterclaim was or could be filed. *See Preiser v. Newkirk*, 422 U.S. 395 (1975).



Deprivation of these rights constitutes a current and continuing injury to Qualitex.[3]

Further, while the restriction of federal court jurisdiction to cases and controversies is intended in part to define the role assigned to the judiciary in a tripartite allocation of power, the grant of *certiorari* in the present case will not constitute an inappropriate incursion by this Court into other branches of government. *See Flast v. Cohen*, 392 U.S. 83, 95 (1968). To the contrary, the Ninth Circuit has ordered an agency of the Executive Branch to cancel its action granting a federal trademark registration. Qualitex demonstrated in its petition that the Ninth Circuit failed to give appropriate deference to the Patent and Trademark Office. Petition, pp. 19-21. Adjudicating the issues in Qualitex' petition should rectify the Ninth Circuit's incursion into the province of the Executive Branch and its agencies.

Finally, the parties here are plainly adverse. *See Flast v. Cohen*, 392 U.S. 83, 95 (1968); *Asarco Inc. v. Kadish*, 490 U.S. 605, 619 (1989); *Cardinal Chemical*, 113 S. Ct. at 1971 n.9. Jacobson vigorously opposes the registrability of Qualitex' color trademark. Brief In Opposition pp. 9-12.[4] Were the Ninth Circuit's decision to

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[3] In addition to being deprived of the legal rights in its federal registration, cancellation of that registration will have the collateral effect of impeding Qualitex from halting infringement of the green-gold trademark by third parties. Efforts by Qualitex to enforce its trademark will be met with the assertion that the Ninth Circuit's decision collaterally estopps Qualitex from such enforcement. *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation*, 402 U.S. 313 (1971). Such collateral harm plainly demonstrates that this case is not moot. *Cardinal Chemical*, 113 S. Ct. at 1971.

[4] Two misleading points regarding Jacobson's arguments on this point warrant comment. First, Jacobson alleges that this Court considered the identical issue raised by Qualitex in this case when it denied *certiorari* in *Nutrasweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. den.*, 499 U.S. 983 (1991). Brief In Opposition, p. 4. In the *Nutrasweet* case, the blue color trademark asserted by plaintiff

stand, Jacobson would have prevailed to Qualitex' clear detriment. As both the party bringing the claim upon which this appeal is based and as the prevailing party on that claim before the Ninth Circuit, Jacobson cannot now simply deem the matter moot to avoid having to defend the judgment it won. *See Penguin Books USA Inc. v. Walsh*, 929 F.2d 69, 70 (2nd Cir. 1991).[5]

## II. CONCLUSION

As with the plaintiff in *Cardinal Chemical*, Qualitex' interest in obtaining substantive review of the

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Nutrasweet Co. was not the subject of a federal registration. As such, Nutrasweet Co. alleged only common law trademark rights and the Seventh Circuit did not cancel a trademark registration issued by the United States Patent and Trademark Office under statutory authority. Of course, it is axiomatic that the denial of *certiorari* does not constitute a commentary on the merits of the case. *United States v. Correr*, 260 U.S. 482, 490 (1923).

Second, in arguing that the "overwhelming majority" of courts considering the issue have declined to extend trademark protection to color alone, Jacobson fails to note that most of its supporting cases considerably predate the present Lanham Act and do not reflect current trademark jurisprudence. The Lanham Act was enacted in 1946 and was amended most recently by the Trademark Law Revision Act of 1989. Under the Lanham Act, the definition of what may constitute a trademark is broadly worded to include all types of source-identifying indicia and does not exclude color. *See* Petition for Certiorari, p. 17. Jacobson's arguments fail to demonstrate that there is no split among the Circuit Courts of Appeal on the questions presented in Qualitex' petition. *See* Brief of The American Bar Association as *Amicus Curiae* In Support of Petition, pp. 4-6; Brief *Amicus Curiae* of International Trademark Association In Support of Petitioner, pp. 5-7.

[5] Jacobson's position that the relief already granted to Qualitex renders this case moot is logically inconsistent with the Ninth Circuit's explicit ruling that Qualitex has a protectable interest in its trade dress, but not in its color trademark. The trade dress is comprised of the total appearance of the Qualitex product, not color alone. Petition, p. 10a. The logical import of the Ninth Circuit's distinction between trademark and trade dress rights is that an injunction precluding infringement of the trademark could, in fact, reach conduct that does not constitute infringing Qualitex' trade dress.



validity of its trademark registration creates a justiciable issue keeping this case alive even though Jacobson's non-infringement is not at issue. Qualitex has a clear interest in obtaining reinstatement of its federal trademark registration and Jacobson has not recanted the position taken in its counterclaim, leaving the parties in an adversarial posture on the issues presented to this Court. Jacobson has pointed to no change in circumstances that would otherwise render this appeal moot.

Based upon the reasons set forth above, in its Petition for *Certiorari*, as well as on the arguments set forth in the briefs *amicus* of The American Bar Association, International Trademark Association, and Dr. Pepper/Seven-Up Corporation, Qualitex respectfully requests that this Court grant its Petition for a Writ of Certiorari.

Respectfully submitted,

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In The

Supreme Court of the United States

October Term, 1993

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QUALITEX COMPANY,

*Petitioner,*

*v.*

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

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**PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT**

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**MOTION FOR LEAVE TO FILE BRIEF *AMICUS CURIAE* AND BRIEF *AMICUS CURIAE***

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May 4, 1994

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In The

Supreme Court of the United States

October Term, 1993

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QUALITEX COMPANY,
*Petitioner,*

*v.*

JACOBSON PRODUCTS CO., INC.,
*Respondent.*

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**MOTION FOR LEAVE TO FILE BRIEF *AMICUS CURIAE***

Pursuant to Supreme Court Rule 37.2, Dr Pepper/Seven-Up Corporation[1] ("Dr Pepper") hereby respectfully moves for leave to file the attached brief *amicus curiae* in support of Petitioner Qualitex Company's Petition for a Writ of Certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit ("Ninth

[1] The parent company of *amicus curiae* Dr Pepper/Seven-Up Corporation is Dr Pepper/Seven-Up Companies, Inc. Dr Pepper/Seven-Up Corporation has no nonwholly owned subsidiaries.

Circuit") in this case. Dr Pepper has sought the consent of the parties to file its brief *amicus curiae*. Petitioner has consented, and the original letter from Petitioner's counsel evidencing such consent has been filed with the Clerk of this Court. Respondent, Jacobson Products Co., Inc., refused to give its consent, in a letter of Respondent's counsel dated April 28, 1994, thereby necessitating this motion.

Dr Pepper has a long-standing interest in protecting its unique maroon color as a symbol of the goodwill it has developed in its **DR PEPPER** brand soft drinks. Dr Pepper depends upon the goodwill symbolized by its unique maroon color to promote its famous **DR PEPPER** brand soft drink products both nationally and internationally to the general consuming public. As a result of its national and international distribution of soft drink products, Dr Pepper's commercial interests are tied directly to its ability to promote and defend proprietary rights in distinctive symbols of its goodwill, including its unique maroon color.

In the instant case, Petitioner has described the conflict between the Ninth Circuit decision in *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (9th Cir. 1994) and decisions of the United States Court of Appeals for the Federal Circuit, *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985), and the United States Court of Appeals for the Eighth Circuit, *Master Distribs., Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993). This conflict among the circuit courts renders it impossible to achieve equal protection of the law for any party which has developed goodwill in its products or services symbolized by a distinctive color.

Moreover, the Ninth Circuit relegates color as a mark and symbol of goodwill to a "nether region," apart from



registrable marks, by invigorating a *per se* standard for color alone separate from the standard for other species of marks. The opinion of the Ninth Circuit poses a significant departure from the rules governing registrability under the Lanham Act, as discussed by this Court in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S.Ct. 2753, *reh'g denied*, 113 S.Ct. 21 (1992).

The conflict among the judicial circuits on the ability to appropriate a color alone as a trademark under the Lanham Act reaches far beyond the particular interests of the Petitioner and Respondent. The conflict effectively inhibits parties that claim a proprietary interest in a color alone from enjoying an ability to enforce such interests uniformly throughout the United States.

This brief *amicus curiae*, for which Dr Pepper is requesting permission to file, will further amplify the discussion regarding the effect of the current conflict among the circuits and address the Ninth Circuit's departure from established rules of law.

For the foregoing reasons, Dr Pepper respectfully moves for leave to file the attached brief *amicus curiae*.

Respectfully submitted,

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May 4, 1994

## TABLE OF CONTENTS

*Page*

TABLE OF AUTHORITIES . . . . . ii

INTEREST OF THE *AMICUS CURIAE* . . . . . 1

REASONS FOR GRANTING THE PETITION . . . . . 2

I. THE CONFLICT AMONG THE CIRCUITS DEPRIVES PARTIES CLAIMING TRADEMARK RIGHTS IN A COLOR ALONE OF THE ABILITY TO ENJOY EQUAL PROTECTION UNDER THE LAW. . . . 2

II. THE DECISION OF THE NINTH CIRCUIT CONFLICTS WITH THE STATUTORY UNDERPINNINGS OF THE LANHAM ACT AND THIS COURT'S OPINION IN *TWO PESOS, INC. v. TACO CABANA, INC.* . . . . . 5

CONCLUSION . . . . . 8

## TABLE OF AUTHORITIES

### CASES

*Page*

*DAP Products, Inc. v. Color Tile Manufacturing, Inc.*,
821 F. Supp. 488 (S.D. Ohio 1993) . . . . . 3-5

*In re Owens-Corning Fiberglas Corp.*,
774 F.2d 1116 (Fed. Cir 1985) . . . . . 2, 3

*Master Distributors, Inc. v. Pako Corp.*,
986 F.2d 219 (8th Cir. 1993) . . . . . 2

*Nutrasweet Co. v. Stadt Corp.*,
917 F.2d 1025 (7th Cir. 1990) . . . . . 2

*Qualitex Co. v. Jacobson Products Co.*,
13 F.3d 1297 (9th Cir. 1994) . . . . . 1, 2, 8

*Qualitex Co. v. Jacobson Products Co.*,
21 U.S.P.Q.2d 1457 (C.D. Cal. 1991) . . . . . 3

*Two Pesos, Inc. v. Taco Cabana, Inc.*,
112 S.Ct. 2753, *reh'g denied*, 113 S.Ct. 21 (1992) 5-6, 7

### STATUTES

15 U.S.C. § 1052 (Lanham Act, Sec. 2) . . . . . 6-7

15 U.S.C. § 1125(a) (Lanham Act, Sec. 43(a)) . . . . . 5

15 U.S.C. § 1127 (Lanham Act, Sec. 45) . . . . . 6



Dr Pepper/Seven-Up Corporation ("Dr Pepper") respectfully submits this brief *amicus curiae* in support of the Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit ("Petition for a Writ of Certiorari") filed by Petitioner, Qualitex Company. Dr Pepper joins Petitioner in seeking a review of the judgment of the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") in *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (9th Cir. 1994).

The decision of the Ninth Circuit sets forth a *per se* rule that color alone cannot constitute a viable, registrable mark. In a multilingual world, color as a trademark is a universal language, especially in the realm of consumer products. Therefore, an issue of immense proportions is presented to this Court in this matter.

## INTEREST OF THE *AMICUS CURIAE*

Dr Pepper enjoys substantial goodwill and renown for its soft drink products. Dr Pepper uses its unique maroon color as a distinctive symbol of the national and international goodwill and renown of its **DR PEPPER** brand products. The *per se* rule contained in the decision of the Ninth Circuit that color alone cannot form the basis of a valid trademark creates a barrier to Dr Pepper's ability to enforce proprietary rights in its unique maroon color. Moreover, without redress by this Court, Dr Pepper will not be able to enforce rights in its maroon color uniformly throughout the various circuits of the United States. Therefore, the Ninth Circuit opinion fosters a conflict among the circuits that impairs the value of Dr Pepper's proprietary rights in its maroon color

and weakens Dr Pepper's ability to defend its corresponding goodwill.

## REASONS FOR GRANTING THE PETITION

### I. THE CONFLICT AMONG THE CIRCUITS DEPRIVES PARTIES CLAIMING TRADEMARK RIGHTS IN A COLOR ALONE OF THE ABILITY TO ENJOY EQUAL PROTECTION UNDER THE LAW.

The conflict among the circuits discussed in Qualitex Company's Petition for a Writ of Certiorari involves whether color may form the basis of a valid and registrable trademark. As Qualitex Company has identified, the Ninth Circuit has joined the United States Court of Appeals for the Seventh Circuit in asserting a *per se* rule which precludes a finding that color alone may act as a valid, registrable mark.[1] These circuits directly conflict with the United States Court of Appeals for the Federal Circuit ("Federal Circuit") and the United States Court of Appeals for the Eighth Circuit.[2]

[1] *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (9th Cir. 1994), and *Nutrasweet Co. v. Stadt Corp.*, 917 F.2d 1025 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991).

[2] *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985), and *Master Distribs., Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993).



This conflict of law between the circuits, as outlined in the Petition for a Writ of Certiorari, limits one's ability to predict to what extent it may be able to protect and defend color alone as a trademark and encourages forum shopping. Dr Pepper, therefore, supports Qualitex Company's Petition for a Writ of Certiorari.

To demonstrate the burgeoning nature of this conflict, Dr Pepper notes the opinion of the United States District Court for the Southern District of Ohio in *DAP Products Inc. v. Color Tile Manufacturing Inc.*, 821 F. Supp. 488 (S.D. Ohio 1993), wherein the District Court relied upon the Federal Circuit opinion in *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985), and held that there was no absolute prohibition on the registrability of color marks.[3] The court stated:

> In reaching this conclusion, the Court has carefully considered Color Tile's argument that the "color depletion" theory is applicable and that under that theory, color alone cannot be protected as a trademark. The color depletion theory assumes that new competitors would be precluded from entering an industry once all colors are used and protected.
>
> This Court is persuaded by the Federal Circuit's decision in *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 [227 USPQ 417] (Fed. Cir. 1985). The *Owens-Corning*

[3] The court also relied upon the lower court decision *Qualitex Co. v. Jacobson Products Co.*, 21 U.S.P.Q.2d 1457 (C.D. Cal. 1991).

court engaged in an exhaustive analysis of the issue of registration of color, both pre- and post-Lanham Act, and concluded that there is no inherent bar against registering colors as trademarks. The *Owens-Corning* court did recognized [sic] the color depletion theory as an argument against the protection of color, but concluded that "contrary to an absolute prohibition on registrability of color marks, . . . each case [should be] decided upon its facts." *Id.* at 1120. The court also rejected the traditional shade confusion argument, stating that "deciding likelihood of confusion among color shades . . . is no more difficult or subtle than deciding likelihood of confusion where word marks are involved." *Id.* at 1123 (citation omitted).

The language of the Lanham Act is indeed broad as to what may be registered as a trademark: "[t]he term "trademark" [sic] includes any word, name, symbol, or device or any combination thereof . . . ." 15 U.S.C. § 1127. In view of this broad language, this Court agrees with the *Owens-Corning* court that there is no absolute prohibition on the registrability of color marks.

In the present case, the 3½ gallon red buckets do not make DAP's Type I mastic work any better, the red buckets are more expensive than other color buckets, specifically, white and black buckets, and there is no competitive need in the industry



for red buckets since other colors are equally usable. *See*, *Qualitex Co. v. Jacobson Products Co.*, 21 U.S.P.Q.2d 1457, 1991 WL 318798 (C.D. Cal. 1991).[4]

The problem of inconsistent results will continue unless abated by this Court, because the issue of trademark protection for color alone is not limited to the circumstances of the parties engaged in the particular case at bar. Therefore, the widespread effect of the current conflict among the circuits is a matter of significant importance that should be resolved by the Supreme Court of the United States.

## II. THE DECISION OF THE NINTH CIRCUIT CONFLICTS WITH THE STATUTORY UNDERPINNINGS OF THE LANHAM ACT AND THIS COURT'S OPINION IN *TWO PESOS, INC. v. TACO CABANA, INC.*

In its decision, the Ninth Circuit affirmed that Respondent violated § 43(a) of the Lanham Act (15 U.S.C. § 1125(a)) under a theory of trade dress infringement, while holding that color alone cannot function as a valid trademark. This Court, in the case of *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S.Ct. 2753, *reh'g denied*, 113 S.Ct. 21 (1992), stated:

[4] *DAP Products, Inc. v. Color Tile Mfg. Inc.*, 821 F. Supp. 488, 494 (S.D. Ohio, 1993).

The Lanham Act was intended to make "actionable the deceptive and misleading use of marks" and "to protect persons engaged in . . . commerce against unfair competition" § 45, 15 USC § 1127 [15 USCS § 1127]. Section 43(a) "prohibits a broader range of practices than does § 32," which applies to registered marks, *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 US 844, 858, 72 L Ed 2d 606, 102 S Ct 2182 (1982), but it is common ground that § 43(a) protects qualifying unregistered trademarks and that the general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a) [citations omitted].[5]

This Court then discussed the definition of a trademark under 15 U.S.C. § 1127 and the requirements contained in 15 U.S.C. § 1052 concerning registration of marks. By linking the principles of § 43(a) of the Lanham Act to the definition of trademarks contained in 15 U.S.C. § 1127 and the requirements for registration contained in 15 U.S.C. § 1052, this Court established a framework which has been violated by the Ninth Circuit.

Section 2(f) of the Lanham Act (15 U.S.C. § 1052(f)) states, in pertinent part:

[5] *Two Pesos, Inc. v. Taco Cabana, Inc.*, 120 L. Ed. 2d 615, 623 (1992).



> Except as expressly excluded in paragraphs (a), (b), (c), (d), and (e)(3) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce.[6]

This section further presents the legislative intent of the Lanham Act: to encourage liberal boundaries for the protection of any device which becomes distinctive of a party's goods or services. The Ninth Circuit's decision thwarts this intent.

The Ninth Circuit decided the question of trademark protection for color alone in a manner that conflicts with the statutory framework of the Lanham Act and the underpinnings of this Court's decision in *Two Pesos*. Thus, the Ninth Circuit's decision raises an important question of federal law which now must be settled by this Court.

[6] 15 U.S.C.A. § 1052(f) (West Supp. 1994).

## CONCLUSION

For the reasons set forth above, a Writ of Certiorari should issue to review the judgment and opinion of the Ninth Circuit in the case styled *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (9th Cir. 1994).

Respectfully submitted,

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IN THE

**Supreme Court of the United States**

OCTOBER TERM, 1993

QUALITEX COMPANY,

*Petitioner,*

v.

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

TO BE DETERMINED

On Petition for Writ of Certiorari
to the United States Court of Appeals
for the Ninth Circuit

# MOTION OF INTERNATIONAL TRADEMARK ASSOCIATION FOR LEAVE TO FILE BRIEF AMICUS CURIAE IN SUPPORT OF PETITIONER AND BRIEF AMICUS CURIAE OF INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF PETITIONER

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**MOTION OF INTERNATIONAL TRADEMARK ASSOCIATION FOR LEAVE TO FILE BRIEF AMICUS CURIAE IN SUPPORT OF PETITIONER**

COMES NOW, THE INTERNATIONAL TRADEMARK ASSOCIATION ("INTA"), and pursuant to Supreme Court Rule 37.4, moves this Court for leave to file a brief amicus curiae in support of Petitioner in the above-captioned cause. This Motion is required because Respondent, through its counsel in the above-captioned cause, has

refused to grant its consent. Petitioner's letter of consent is filed herewith.

Movant INTA, founded in 1878 as the United States Trademark Association ("USTA"), is a not-for-profit corporation with over 2,700 members having a special interest in trademarks. INTA's members include trademark owners, advertising agencies, and law firms from the United States and foreign countries, including some of the world's foremost corporations. These members form an important segment of the United States business community and they and their counsel have substantial expertise in trademark law.

INTA members and other trademark owners presently face uncertainty in the interpretation and application of the United States Trademark Act (the "Lanham Act") with respect to marks consisting of color *per se*, because there exists a split in the courts of appeals on whether color *per se* is protectable and registrable under the Lanham Act.

On the authority of a decision of the Court of Appeals for the Federal Circuit, the United States Patent and Trademark Office ("PTO"), the administrative agency charged with responsibility for the implementation of the Lanham Act, has taken the position that the Lanham Act permits the registration of color *per se* if the statutory



requirements for registrability of a trademark are satisfied and has issued registrations of color marks, including the Petitioner's registration that was cancelled by the Ninth Circuit. The Eighth Circuit has held likewise that color *per se* is protectable and registrable, and would accord Principal Register registrations of color marks such as Petitioner's the full evidentiary status to which they are entitled in litigation under the Lanham Act.

The Seventh and Ninth Circuits, however, have reached an opposite conclusion and, as in the instant case, would hold PTO registrations of color marks invalid as a matter of law, and automatically cancelable. This disparate treatment of federal statutory rights will almost certainly result in forum shopping in cases involving color marks, a result inconsistent with the Lanham Act's purpose of nationalizing and harmonizing the protection of registered trademarks throughout the United States. INTA's members have a strong interest in a consistent, uniform interpretation of the Lanham Act in all jurisdictions in which federal registrations of marks may be asserted in litigation.

INTA takes no position on the issue of whether Petitioner's color mark was entitled to registration under the Lanham Act and was properly registered. INTA believes, however, that the language of the Lanham Act clearly provides that color marks may be registered when the

statutory requirements for registration are satisfied, and that the Ninth Circuit's decision to the contrary was incorrect as a matter of statutory law. INTA urges the Court in the brief amicus submitted herein to reach and settle the issue and bring certainty with respect to the development and enforcement of these important federal rights.

For all of the foregoing reasons, Movant respectfully requests leave to file the brief amicus curiae submitted herein.

Respectfully submitted,

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# BRIEF AMICUS CURIAE OF INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF PETITIONER

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## TABLE OF CONTENTS


Page

INTEREST OF THE AMICUS CURIAE . . . . . 3

SUMMARY OF THE ARGUMENT . . . . . 4

ARGUMENT . . . . . 5

I. There is a Conflict Among the Circuits on Whether Color Per Se is Registrable and Protectable Under the Lanham Act . . . . . 5

A. The Conflict Among the Circuits Jeopardizes Registrations of Color Marks Issued Under Current PTO Practice . . . . . 5

B. The Conflict Among the Circuits Jeopardizes the Uniform Application of the Lanham Act in Litigation . . . . . 7

II. The Lanham Act Does Not Exclude Color Per Se From the Marks That May Be Federally Registered and Any Decision to Do So is For Congress Alone to Make . . . . . 9

A. The Statutory Definition of "Trademark" Does Not Exclude Color Per Se . . . . . 9

B. The Lanham Act Does Not Exclude Color Per Se From the Trademarks That Can Be Registered Under the Lanham Act and Color Per Se Thus Must Be Registrable . . . . . 10

CONCLUSION . . . . . 12

## TABLE OF AUTHORITIES


Page

*Master Distributors, Inc. v. Pako Corp.*,
986 F.2d 219 (CA8 1993) . . . . . 6, 8

*Nutrasweet Co. v. Stadt Corp.*,
917 F.2d 1024 (CA7 1990), cert. denied,
*499 U.S. 983 (1991)* . . . . . 2, 5

*In re Owens-Corning Fiberglas Corp.*,
774 F.2d 1116 (CAFC 1985) . . . . . 6, 7, 9, 10

*Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*,
469 U.S. 189 (1985) . . . . . 8

*Qualitex v. Jacobson Products Co., Inc.*,
13 F.3d 1297 (CA9 1994) . . . . . 5, 11

*Two Pesos, Inc. v. Taco Cabana International, Inc.*,
120 L. Ed 615, 112 S Ct. 2753 (1992) . . . . . 4, 11


### STATUTES, RULES & REGULATIONS


Senate Report No. 100-515, 100th Cong., 2d Sess. 44 (1988) . . . 9

15 U.S.C. §1051 . . . . . 2

15 U.S.C. §1052 . . . . . 4, 10, 11

15 U.S.C. §1057 . . . . . 7

15 U.S.C. §1127 . . . . . 4, 7, 9

Rule 37.4, Rules of the Supreme Court of the United States . . . . 1

*Trademark Manual of Examining Procedure* (2d Ed. 1993) . . . . . 6




## OTHER AUTHORITIES


Page

United States Trademark Association,
Trademark Review Commission, *Report and Recommendations to U.S.T.A. President and Board of Directors* (1987)
77 Trademark Reporter 375 . . . . . 10

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**Supreme Court of the United States**

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On Petition for Writ of Certiorari
to the United States Court of Appeals
for the Ninth Circuit

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# BRIEF AMICUS CURIAE OF INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF PETITIONER

Upon motion for leave submitted herewith pursuant to Rule 37.4 of the Rules of the Court, amicus curiae International Trademark Association ("INTA") respectfully submits this Brief Amicus Curiae in

support of Petitioner Qualitex Company ("Petitioner"). INTA urges the Court to grant *certiorari* on Petitioner's Question 1 because it raises an important question of federal trademark law.

A significant split exists among the courts of appeals on the issue of whether color *per se*[1] is registrable as a trademark under the United States Trademark Act, 15 U.S.C. §§1051, *et seq.* (the "Lanham Act"). The courts of appeals that have considered the issue differ sharply on the validity and enforceability of federal registrations of color trademarks issued by the United States Patent and Trademark Office ("PTO"), the federal agency charged with the administration of the Lanham Act. The Court should grant *certiorari* to resolve this significant split in the circuits, to address the propriety of the PTO's practice of registering colors under the Lanham Act, and to foster the statutory goal of uniform protection of trademarks throughout the United States.

[1]As used in this brief, the term color *per se* refers to a single color or single shade of color, without any additional elements such as designs. *See NutraSweet Co. v. Stadt Co.*, 917 F.2d 1024, 1026 n.6 (CA7 1990).



## INTEREST OF THE AMICUS CURIAE

INTA, founded in 1878 as the United States Trademark Association ("USTA"), is a not-for-profit corporation of more than 2,700 members having a special interest in trademarks. INTA's members include trademark owners, advertising agencies, and law firms from the United States and foreign countries, including some of the world's foremost corporations. These members form an important segment of the United States business community, and they and their counsel have substantial expertise in trademark law.

INTA's corporate members spend millions of dollars each year in the development, registration, and protection of their trademarks in the United States. All INTA members share an interest in protecting the integrity of the American trademark system through a coherent and consistent judicial treatment of federally-registered trademarks.

INTA has been instrumental in making recommendations and providing assistance to Congress in connection with the Lanham Act, most recently through the active participation of USTA's Trademark Review Commission in the development and enactment of the Trademark Law Revision Act of 1988 ("TLRA"), the most significant amendment of the Lanham Act since 1946. *See* 134 Congressional

Record (516974 daily ed. October 20, 1988). INTA has also participated in the past as an amicus curiae in trademark cases before this Court, *see, e.g., Two Pesos, Inc. v. Taco Cabana International, Inc.*, 120 L. Ed 615, 112 S Ct. 2753 (1992), and in many lower courts.

## SUMMARY OF THE ARGUMENT

The split in the circuits on the issue of the protectability and registrability of color *per se* as a trademark jeopardizes the integrity of federal registrations of color marks and the uniform application of the Lanham Act's provisions regarding the evidentiary benefits accorded to the owner of a Principal Register registration. Unless the split is resolved, the statutory goal of nationwide protection of registered marks will be frustrated.

Color *per se* is subject matter that falls within the definition of "trademark" in §45 of the Lanham Act if it serves to identify and distinguish the source of a person's goods, and it has not been excluded in §2 of the Lanham Act from eligibility for registration. Accordingly, color *per se* is registrable if the statutory requirements for registration are satisfied, and any policy decision to change the current law must be left to Congress.



## ARGUMENT

### I.

### There is a Conflict Among the Circuits on Whether Color Per Se is Registrable and Protectable Under the Lanham Act

#### A. The Conflict Among the Circuits Jeopardizes Registrations of Color Marks Issued Under Current PTO Practice

The courts of appeals have split sharply on whether color *per se* is protectable and registrable as a trademark under the Lanham Act. In the instant case, the Court of Appeals for the Ninth Circuit held that it was not and ordered the cancellation of Petitioner's United States Trademark Registration No. 1,633,711, issued on February 5, 1991 for the color green-gold for press pads and press pad covers, even though the Court simultaneously affirmed the entry of judgment on Petitioner's unfair competition claim on the basis of its trade dress, consisting largely of the green-gold color by itself. *Qualitex Co. v. Jacobson Products Co., Inc.*, 13 F.3d 1297 (CA9 1994).

The Ninth Circuit cited with approval the decision of the Seventh Circuit Court of Appeals in *Nutrasweet Co. v. Stadt Corp.*, 917 F.2d 1024 (CA7 1990), *cert. denied*, 499 U.S. 983 (1991), holding that the color blue was unprotectable as a matter of law under the Lanham Act as a trademark for a sugar substitute. The Ninth Circuit rejected the

views of the Eighth Circuit in *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (CA8 1993), and the Federal Circuit in *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (CAFC 1985), two decisions that held that color *per se* is protectable and registrable under the Lanham Act if the applicable statutory requirements for trademark protection are otherwise satisfied.

On the authority of the Federal Circuit's decision in *Owens-Corning*, the PTO has instructed its trademark examining attorneys that under the Lanham Act "color can function as a trademark if it is used on goods in the manner of a trademark and if it is perceived by the public as identifying and distinguishing the goods on which it is used and indicating their source." *Trademark Manual of Examining Procedure*, §1202.04(e), at 1202-13 (2d Ed. 1993). The PTO will issue registrations of color trademarks, such as Petitioner's registration, if the PTO is satisfied that an applicant has shown that a color "has become distinctive of the applicant's goods in commerce." *Id.*

Before the PTO, "[t]he burden of proof in such a case is substantial," *id.*, in view of the Federal Circuit's admonition that "[b]y their very nature color marks carry a difficult burden in demonstrating



distinctiveness and trademark character." *Owens-Corning*, 774 F.2d at 1127. The conflict among the circuits forces a potential applicant for federal registration of a color mark to proceed at its peril because its efforts to obtain a registration by satisfying this substantial burden may be an exercise in futility if the holdings of the Seventh and Ninth Circuits, and not those of the Eighth and Federal Circuits, are adopted by other courts in future cases.

**B. The Conflict Among the Circuits Jeopardizes the Uniform Application of the Lanham Act in Litigation**

Whether a federal registration of a color mark will be accorded the evidentiary respect in litigation that the Lanham Act specifies, or will instead be cancelled automatically, is now uncertain. A Principal Register registration of a color mark is by statute "prima facie evidence of the validity of the registered mark and of the registration of the mark" and of "the registrant's exclusive right to use the registered mark in commerce," 15 U.S.C. §1057(b), but in reality the enforceability of such a registration depends upon the court in which the registration is asserted, or in which its owner becomes an involuntary litigant through the filing of a declaratory judgment suit.

A color mark registration that will give its owner substantial evidentiary benefits in litigation in the Eighth Circuit apparently will be invalidated as a matter of law in the Seventh and Ninth Circuits, and before any other courts that may choose to follow the latter two circuits in future cases, because those courts follow a "*per se* rule prohibiting the protection of color alone [that] would essentially render a valid color trademark registration ineffective and unenforceable." *Master Distributors*, 986 F.2d at 224. The inevitable result of this disparate treatment of federal statutory rights in different circuits will be forum shopping in suits involving color marks, a situation entirely inconsistent with the Lanham Act's "'sound public policy requir[ing] that trademarks should receive nationally the greatest protection that can be given them.'" *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 193 (1985)(citation omitted).

The Court should grant *certiorari* to resolve the conflict among the circuits and to further the statutory goal of certainty and uniformity in the protection of federally-registered trademarks in the United States.



## II.

## The Lanham Act Does Not Exclude Color Per Se From the Marks That May Be Federally Registered and Any Decision to Do So is For Congress Alone to Make

### A. The Statutory Definition of "Trademark" Does Not Exclude Color Per Se

The Lanham Act defines a "trademark" as "any word, name, symbol, or device, or any combination thereof used by a person . . . to identify and distinguish his or her goods, including a unique product, from those sold or manufactured by others and to indicate the source of the goods, even if that source is unknown." 15 U.S.C. §1127. On its face, the statute's definition of "trademark" is sufficiently broad to include color *per se* provided that color is shown to identify and distinguish the user's goods.

In enacting the TLRA in 1988, three years after the Federal Circuit's decision in *Owens-Corning*, Congress broadened the Lanham Act's original definition of "trademark" "to reflect contemporary marketing practices and to make clear a trademark's function of distinguishing the goods of one person from those of another." S. Rep. No. 100-515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607. In doing so, Congress chose--explicitly and unequivocally--not to disturb the PTO's practice of

registering color marks under *Owens-Corning* if the statutory conditions for registrability are satisfied; "[t]he revised definition intentionally retain[ed] . . . the words 'symbol or device' *so as not to preclude the registration of colors*, shapes, sounds or configurations where they function as trademarks." *Id.* (emphasis added).[2] Accordingly, there can be no doubt that a color which serves to identify and distinguish the source of a product falls within the statutory definition of a "trademark."

**B. The Lanham Act Does Not Exclude Color Per Se From The Trademarks That Can Be Registered Under the Lanham Act and Color Per Se Thus Must Be Registrable**

Because §2 of the Lanham Act provides that "[n]o trademark . . . shall be refused registration on the principal register on account of its nature unless" it falls within one of the categories of trademarks that are specifically excluded from registration,[3] 15 U.S.C. §1052, "a

[2]The quoted language in the Senate Report was taken almost verbatim from the Report and Recommendations of USTA's Trademark Review Commission Report, reported at 77 Trademark Reporter 375 (1987), in which the Commission "determined that the terms 'symbol, or device' should not be deleted or narrowed to preclude registration of such things as color, shape, smell, sound, or configuration which functions as a mark." 77 Trademark Reporter at 421.

[3] These categories prohibit, *inter alia*, the registration of a mark that "[c]onsists of or comprises immoral, deceptive, or scandalous matter," 15 U.S.C. §1052(a), a mark that "[c]onsists of or comprises



mark 'by which the goods of the applicant may be distinguished from the goods of others' . . . must be registered unless otherwise disqualified." *Two Pesos, Inc. v. Taco Cabana International, Inc.*, 120 L. Ed. 615, 626 (1992)(citation omitted).

The Ninth Circuit acknowledged in this case that "color is not listed as an exception" to registration under §2, and that "[r]egistration of mere color is not explicitly barred by the Lanham Act . . ." *Qualitex*, 13 F.3d at 1301. Nevertheless, the Court "conclude[d] that the better rule is that a trademark should not be registered for color alone," *Qualitex*, 13 F.3d at 1302, and cancelled Petitioner's registration.[4] The Court thus substituted its view of desirable federal trademark policy for that of Congress.

Congress has already decided the issue addressed by the Ninth Circuit and in the resulting language of the Lanham Act, Congress has expressed its intent that color *per se* should not automatically be precluded from registration. If the "better rule" is that color *per se*

the flag or coat or arms or other insignia of the United States," 15 U.S.C. §1052(b), and a mark that is confusingly similar to a previously-registered mark. 15 U.S.C. §1052(d).

[4]INTA takes no position on the factual issue of whether Petitioner's green-gold color satisfies the statutory requirements in §§2 and 45 of the Lanham Act for federal registration and was properly registered by the PTO.

should be unprotectable and unregistrable for any of the reasons identified by the Ninth Circuit or otherwise, it must be left to Congress to change the current law.

## CONCLUSION

For all of the foregoing reasons, the Court should grant the Petition for a Writ of Certiorari on Question 1.

Respectfully submitted,

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PETITION FOR WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
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## MOTION FOR LEAVE TO FILE AND BRIEF OF THE AMERICAN BAR ASSOCIATION AS *AMICUS CURIAE* IN SUPPORT OF PETITION

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QUALITEX COMPANY,
*Petitioner,*

*vs.*

JACOBSON PRODUCTS CO., INC.,
*Respondent.*

On Petition For A Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit

# MOTION FOR LEAVE TO FILE BRIEF OF THE AMERICAN BAR ASSOCIATION AS *AMICUS CURIAE*

The American Bar Association ("ABA") moves pursuant to Rule 37.2 of the rules of this Court for leave to file the annexed brief as *amicus curiae* in support of the Petition for Certiorari filed by Qualitex Company on or about April 4, 1994. The ABA wishes to support the Petitioner's position that the Ninth Circuit's decision is of sufficient importance to merit review on the first issue presented, namely, whether the Lanham Act prohibits the registration of color as a trademark. The ABA believes that the annexed brief will be of assistance to the Court. Although counsel for Petitioner Qualitex Company

consented to the filing of this brief, the consent of counsel for Respondent Jacobson Products Company, Inc. was requested but refused. The ABA therefore requests leave to file the annexed brief as *amicus curiae*.

Respectfully submitted,

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**TABLE OF CONTENTS** **Page #**

INTEREST OF *AMICUS CURIAE* . . . . . 1

SUMMARY OF THE ARGUMENT . . . . . 3

ARGUMENT . . . . . 3

CONCLUSION . . . . . 9

**TABLE OF AUTHORITIES** **Page #**

*Center Cadillac, Inc. v. Bank Leumi Trust Co.*,
808 F. Supp. 213 (S.D.N.Y. 1992) . . . . . 8

*DAP Prods., Inc. v. Color Tile Mfg., Inc.*,
821 F. Supp. 488 (S.D. Ohio 1993) . . . . . 5

*Edward Weck, Inc. v. IM, Inc.*,
17 U.S.P.Q.2d 1142 (T.T.A.B. 1990) . . . . . 5

*Keds Corp. v. Renee Int'l Trading Corp.*,
888 F.2d 215 (1st Cir. 1989) . . . . . 3

*Master Distribs., Inc. v. Pako Corp.*,
986 F.2d 219 (8th Cir. 1993) . . . . . 5

*Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*,
316 U.S. 203 (1942) . . . . . 6

*NutraSweet Co. v. Stadt Corp.*,
917 F.2d 1024 (7th Cir. 1990), *cert. denied*,
499 U.S. 983 (1991) . . . . . 4

*In re Owens-Corning Fiberglas Corp.*,
774 F.2d 1116 (Fed. Cir. 1985) . . . . . 5

*Qualitex Co. v. Jacobson Prods. Co.*,
13 F.3d 1297 (9th Cir. 1994) . . . . . 2, 4

**OTHER AUTHORITIES** **Page #**

28 U.S.C. § 1291 . . . . . 7

28 U.S.C. § 1295 . . . . . 5, 7

S. Rep. No. 1333, 79th Cong., 2d Sess. (1946) . . . . . 6



Andrew W. Coleman, *Color as Trademarks: Breaking Down the Barriers of the Mere Color Rule*,
74 J. Pat. & Trademark
Off. Soc. 345 (1992) . . . . . 5

1 J. McCarthy, *Trademarks and Unfair Competition*, § 19.5 at 883-84
(2d ed. 1984) . . . . . 6

United States Patent & Trademark Office
*Trademark Manual of Examining Procedure*
(2nd ed. 1993) . . . . . 5

Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*,
83 Trademark Rep. 554, 570 (1993) . . . . . 7,8

No. 93-1577

IN THE
SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1993

QUALITEX COMPANY,
*Petitioner,*

*vs.*

JACOBSON PRODUCTS CO., INC.,
*Respondent.*

On Petition For A Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit

# BRIEF OF THE AMERICAN BAR ASSOCIATION AS *AMICUS CURIAE* IN SUPPORT OF PETITION

## INTEREST OF *AMICUS CURIAE*[1]

The American Bar Association ("ABA") is a voluntary, national membership organization of the legal profession. The more than 360,000 members of the ABA come from every state and territory and the District of Columbia. The ABA's

[1] This brief is accompanied by a Motion for Leave to File, consent of respondent having been requested but refused.

constituency includes attorneys in private practice, legislators, law professors, law students and a number of non-lawyer "associates" in related fields.[2]

The Section of Intellectual Property Law ("Section") of the ABA includes over 10,000 ABA members interested and having expertise in intellectual property law, including trademark law. Many members of the Section practice in the field of trademark law, represent trademark owners, their competitors and other persons and businesses affected by trademarks.

Although the ABA has no policy position on the registrability of color trademarks and will not take a position in this particular case, the first question raised in this case[3] -- whether color is registrable as a trademark under the Lanham Act -- is important to the trademark bar, the clients it serves (including trademark owners and users, their competitors and the national public), the United States Patent and Trademark Office and the administration of justice.

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[2] Neither this brief nor the decision to file it should be interpreted to reflect the views of any judicial member of the American Bar Association. No inference should be drawn that any member of the Judicial Administration Division Council has participated in the adoption of or endorsement of the positions in this brief. This brief was not circulated to any member of the Judicial Administration Divisional Council prior to filing.

[3] *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297, 1302 (9th Cir. 1994).



## SUMMARY OF THE ARGUMENT

The Ninth Circuit's decision further deepens the split between the circuits and the United States Patent and Trademark Office and adds to the uncertainty concerning the registrability of color as a trademark. This split in the circuits and attendant uncertainty in the law significantly impairs the ability of trademark lawyers to provide informed guidance to clients on matters relating to the registration of color as a trademark. Resolution of this split in the circuits is critical to the interests of the trademark bar and to the clients it serves, including trademark owners and users, their competitors and the national public, as well as to the United States Patent and Trademark Office and the administration of justice.

## ARGUMENT

The Ninth Circuit held that, as a matter of law, color cannot be registered as a trademark under the Lanham Act. Accordingly, the Ninth Circuit reversed the district court's judgment that defendant had infringed plaintiff's federally-registered trademark for the color green-gold as applied to dry cleaning press pads. Further, the Ninth Circuit reversed the district court's judgment in favor of plaintiff on defendant's counterclaim for cancellation of plaintiff's federal trademark registration, requiring that plaintiff's registration be canceled.[4]

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[4] The Ninth Circuit did, however, enforce the plaintiff's rights in its trade dress, "the 'total impression' of the Qualitex green-gold pad and its 'SUN GLOW' name." *Accord Keds*

The Ninth Circuit relied on the Seventh Circuit's decision in *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991), that color alone -- there, pastel blue for tabletop sweetener -- is not protectable as a trademark.[5] Both the Seventh and Ninth Circuits cited a policy reason and a prudential reason for denying mere color registration as a trademark. They cited the "color depletion" policy: that allowing color trademark registrations could preclude new competitors from entering an industry once all colors are used and registered. They also relied on the prudential concern of "shade confusion": that deciding likelihood of confusion -- the test for trademark infringement -- between color shades would be difficult. *See NutraSweet*, 917 F.2d at 1027-1028; *Qualitex*, 13 F.3d at 1302.

In contrast to the Ninth and Seventh Circuits, other courts have rejected the "color depletion" and "shade confusion" arguments and have held that there is no per se ban against registration of color as a trademark under the Lanham Act. The Federal Circuit, which hears appeals from the Patent and Trademark Office's Trademark Trial and Appeal Board under

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*Corp. v. Renee Int'l Trading Corp.*, 888 F.2d 215, 221 (1st Cir. 1989) (enforced Keds' trademark registration for rectangular blue label on sneakers without resolving issue of protectability of color).

[5] Because the plaintiff apparently did not own a federal trademark registration, registrability was not before the Seventh Circuit.



28 U.S.C. § 1295(a)(4)(B), has held that color alone is registrable as a trademark under the Lanham Act.[6] The Patent and Trademark Office[7] has followed the Federal Circuit in holding that there is no per se prohibition against registration of color as a trademark under the Lanham Act.[8] The Eighth Circuit[9] and other courts[10] have applied the same reasoning to hold that there is no prohibition to enforcing rights in color as a trademark.

This split among the circuits and the Patent and Trademark Office is of concern to members of the trademark

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[6] *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) (color pink registrable as a trademark for fiberglass insulation).

[7] *Edward Weck, Inc. v. IM, Inc.*, 17 U.S.P.Q.2d 1142, 1145 (T.T.A.B. 1990) (no inherent bar to color trademark registration); United States Patent & Trademark Office *Trademark Manual of Examining Procedure* (2nd ed. 1993) (stating guidelines for registration of color trademarks); *see also* Registration No. 1,536,106 published at Pat. Off., Official Gazette, June 7, 1988 (shade of color blue for hand tools).

[8] *See generally* Andrew W. Coleman, *Color as Trademarks: Breaking Down the Barriers of the Mere Color Rule*, 74 J. Pat. & Trademark Off. Soc. 345 (1992) (criticizing the split in the circuits and urging registration of color trademarks).

[9] *Master Distribs., Inc. v. Pako Corp.*, 986 F.2d 219, 222-24 (8th Cir. 1993).

[10] *E.g., DAP Prods., Inc. v. Color Tile Mfg., Inc.*, 821 F. Supp. 488, 494 (S.D. Ohio 1993).

bar and the legal profession for four reasons. First, the present state of the law encourages persons and businesses to invest in developing color trademarks and obtaining color trademark registrations, an investment that may turn out to be worthless. Because of the importance of trademarks in allowing competitors to effectively distinguish their goods from each other's and thus facilitating the ability of the consuming public to readily and accurately choose between competing goods, *see* S. Rep. No. 1333, 79th Cong., 2d Sess. (1946); *see also Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942), persons and businesses invest heavily in creating, developing and maintaining trademark rights. Based on the position of the Federal Circuit and the Patent and Trademark Office -- that color is registrable as a trademark -- persons and businesses have invested in creating and developing color trademarks.[11] Registrations for these marks, however,

[11] A federal trademark registration provides the trademark owner with significant advantages over common law rights. *See generally* 1 J. McCarthy, *Trademarks and Unfair Competition*, § 19.5 at 883-84 (2d ed. 1984) (setting forth numerous advantages of a federal registration, some of which include: prima facie evidence of the registrant's ownership and exclusive nationwide right to use the mark; prima facie evidence that the mark has acquired secondary meaning; after five years registration, the mark may become "incontestable" as conclusive evidence of the registrant's exclusive right to use of the mark, subject to limited defenses; and the ability to stop importation into the United States of articles bearing an infringing mark).



are now subject to cancellation, as a matter of law, in at least the Ninth Circuit.[12] Cancellation of a trademark registration by order of a court in the Ninth Circuit would preclude future enforcement of a federal registration in any other court, including those within circuits, like the Eighth, that recognize color trademark registrations. This uncertainty in the law necessarily hampers persons and businesses in planning national marketing and competition strategies involving color trademarks.

Second, the split among the circuits and the Patent and Trademark Office also harms competitors of owners of federal color trademark registrations. These competitors cannot identify where or under what circumstances use of the color would be lawful. Under the present state of the law, a nationwide answer is impossible. And even within the Ninth Circuit, which has rejected registration of color as a trademark, an answer is impossible because an appeal may go to the Ninth Circuit under 28 U.S.C. § 1291 or, if the case involves a patent claim, to the Federal Circuit under 28 U.S.C. § 1295(a)(1).

Third, the present state of the law also wastes the resources of the Patent and Trademark Office. Presently, the Patent and Trademark Office expends significant resources

[12] *See* Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 570 (1993) (noting that the current uncertainty over the color trademark issue and that businesses may spend time and money to obtain "essentially worthless registrations").

examining color trademark applications and issuing and maintaining color trademark registrations. All of these color trademark registrations are subject to cancellation as a matter of law in the Ninth Circuit.

Finally, the present state of the law is harmful to the administration of justice. Litigation will inevitably ensue because persons and businesses are using, under a claim of right, colors the same as or similar to those on which competitors have federal trademark registrations. The issue of registration of color as a trademark will doubtless continue to be hard fought in the regional circuits that have yet to consider the issue,[13] and there will be forum shopping in the form of countless venue disputes between the circuits that have decided the issue.[14]

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[13] *See* Samuels & Samuels, *supra* note 12, at 570 (noting that if the uncertainty over the color trademark issue is not resolved, litigation over the issue will continue with its attendant costs).

[14] The venue dispute would be all important because the transferee court can apply its circuit's interpretation of substantive federal law and is not required to apply federal law of the circuit in which the transferor court is located. *Center Cadillac, Inc. v. Bank Leumi Trust Co.*, 808 F. Supp. 213, 222 (S.D.N.Y. 1992) (applying law of transferee circuit and noting that conflict of views among the circuits presents a matter for consideration for the Supreme Court on application of certiorari, not for consideration by a district judge on application for transfer).



Because of the waste of judicial and administrative resources and the harm to persons and businesses using color trademarks and their competitors, the ABA believes that the split among the circuits and the Patent and Trademark Office, which is deepened by the Ninth Circuit's decision, raises an issue of nationwide significance that merits this Court's attention.

## CONCLUSION

The Petition for a Writ of Certiorari should be granted as to the first question presented.

Respectfully submitted,

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IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1994

QUALITEX COMPANY,

*Petitioner*,

v.

JACOBSON PRODUCTS CO., INC.,

*Respondent*.

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

# JOINT APPENDIX

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PETITION FOR CERTIORARI FILED APRIL 4, 1994
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40 pp

TABLE OF CONTENTS

Page

APPENDIX A -- Chronological List of Relevant Docket Entries:

- United States District Court for the Central District of California, Case No. CV 90 1183 HLH . . . . . 1a

- United States Court of Appeals for the Ninth Circuit, Appeal No. 91-56260 . . . . . 2a

APPENDIX B - Trial Exhibit 80, admitted by stipulation pursuant to Pre-Trial Conference Order filed with the District Court May 10, 1991 . . . . . 4a

APPENDIX C - Trial Exhibit 18, admitted by stipulation pursuant to Pre-Trial Conference Order filed within the District Court May 10, 1991 . . . . . 5a

APPENDIX D - District Court's Findings of Fact and Conclusions of Law, entered September 3, 1991 . . . . . 6a

APPENDIX E - Judgment of the District Court, entered September 3, 1991 . . . . . 21a

APPENDIX F - Opinion of the United States Court of Appeals for the Ninth Circuit, entered January 3, 1994 . . . . . 23a

APPENDIX G - Revised Judgment of the United States District Court for the Central District of California, entered June 10, 1994 . . . . . 37a

APPENDIX H - Order of the United States Supreme Court Granting Certiorari, entered September 23, 1994 . . . . . 39a

## APPENDIX A - CHRONOLOGICAL LIST OF RELEVANT DOCKET ENTRIES

### The District Court:

| Date | NR | Proceedings |
|---|---|---|
| *1990* | | |
| Mar. 9 | 1 | COMPLAINT for Injunction, Damages, and other Relief. |
| Apr. 10 | 5 | ANSWER to Complaint. |
| *1991* | | |
| Apr. 2 | 37 | SUPPLEMENTAL COMPLAINT for Injunction, Damages, and Other Relief. |
| 11 | 40 | COUNTERCLAIM on Behalf of Jacobson Products Co., Inc. for Cancellation of Trademark and Declaratory Relief. |
| 24 | 56 | REPLY TO COUNTERCLAIM. |
| May 10 | 64 | PRETRIAL CONFERENCE ORDER. |
| Jun. 4 | 65 | PLAINTIFF'S TRIAL BRIEF. |
| | 66 | DEFENDANT'S TRIAL BRIEF. |
| 20 | 69 | MINUTES of Civil Trial of 6/20/91, Trial Cont. Until 6/21/91. |
| 21 | 85 | MINUTES of Civil Trial of 6/20/91. |
| Sept. 3 | 92 | FINDINGS OF FACT AND CONCLUSIONS OF LAW. |
| | 93 | JUDGMENT in favor of Plaintiff. |

| Date | NR | Proceedings |
|---|---|---|
| Sept. 23 | 95 | DEFENDANT'S Notice of Appeal to the United States Court of Appeals for the Ninth Circuit. |
| *1994* | | |
| Jun. 10 | 102 | REVISED JUDGMENT of the United States District Court for the Central District of California. |

**The Ninth Circuit:**

| Date | Proceedings and Orders |
|---|---|
| *1992* | |
| Mar. 17 | OPENING BRIEF of Defendant-Appellant Jacobson Products Co., Inc. and Excerpts of Record. |
| Apr. 20 | BRIEF of Plaintiff-Appellee Qualitex Company and Supplemental Excerpts of Record. |
| May 5 | REPLY BRIEF of Defendant-Appellant Jacobson Products Co., Inc. |
| *1993* | |
| Feb. 2 | APPEAL ARGUED and Submitted to Proctor R. Hugg, Warren F. Ferguson, and Diarmuid F. O'Scannlain. |
| *1994* | |
| Jan. 3 | OPINION of Ninth Circuit Filed and Judgment Entered. |



| Date | Proceedings and Orders |
|---|---|
| Jan. 21 | MOTION TO STAY Mandate Pending Filing of Petition for Certiorari by Qualitex Company. |
| 27 | ORDER Entered Denying Motion to Stay. |
| Mar. 3 | MANDATE ISSUED. |

# APPENDIX B - TRIAL EXHIBIT 80, ADMMITTED BY STIPULATION PURSUANT TO PRE-TRIAL CONFERENCE ORDER FILED WITHIN THE DISTRICT COURT DATED MAY 10, 1991

# APPENDIX C - TRIAL EXHIBIT 18, ADMITTED BY STIPULATION PURSUANT TO PRE-TRIAL CONFERENCE ORDER FILED WITHIN THE DISTRICT COURT DATED MAY 10, 1991

# APPENDIX D - DISTRICT COURT'S FINDINGS OF FACT AND CONCLUSIONS OF LAW, ENTERED SEPTEMBER 3, 1991

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

| | | |
|---|---|---|
| **QUALITEX COMPANY, an Illinois corporation,** | ) | |
| *Plaintiff and Counterdefendant,* | ) | No. CV 1183 HLH(JRX) |
| *vs.* | ) | |
| **JACOBSON PRODUCTS COMPANY, INCORPORATED, a California corporation,** | ) | FINDINGS OF FACT AND CONCLUSIONS OF LAW |
| *Defendant and Counterdefendant.* | ) | |

The court finds and concludes as follows:

## FINDINGS OF FACT

1. Qualitex is a closely held family company that has been engaged since 1945 in the manufacture of various products for dry cleaners, laundries and garment manufacturers which it sells through various independent distributors in the United States.

2. Qualitex began manufacturing and selling its SUN GLOW® press pad in approximately 1957 for use on dry cleaning presses.

3. The SUN GLOW® pad is constructed in various sizes from differing lengths of rubber, fiberglass and insulating materials with a bottom cloth.

4. The SUN GLOW® pad is covered on top with a specially woven fabric made to Qualitex' specifications and treated with a special formulation of resins and other chemicals to resist heat and increase wear.

5. Qualitex selected the unique green-gold color, specially dyed its fabric, and instructed its fabric finisher to use the same color on all fabric for use on SUN GLOW® press pads. The color is technically described as "brass #6587."

6. Qualitex has sold its press pads in the same green-gold color cover fabric for over 30 years.

7. The green-gold color for use on press pads was registered as a trademark in the United States Patent and Trademark Office on February 5, 1991 as Registration No. 1,633,711.

8. The "SUN GLOW®" trademark was registered in the United States Patent and Trademark Office on February 17, 1959 as Registration No. 674,153 and is presumptively valid.

9. The relevant purchasing public for press pads sold by Qualitex and Jacobson, and other competitors, are dry cleaning businesses and garment manufacturers.

10. Most dry cleaning businesses are small, family owned, and family run establishments, many of whom are foreign speaking with limited skills in reading or speaking English.

11. Approximately 30% of the dry cleaning establishments in this country are run by Koreans. Of the 1,000 dry cleaning plants in the Chicagoland area, 70% are owned or operated by Koreans.

12. The quality of the Qualitex press pad is known to be the best in the business.

**Secondary Meaning**

13. From at least 1960 to the present time Qualitex advertised its press pad on a monthly basis in the American Drycleaner Magazine, the leading trade



publication. Since at least 1970, the color ads featured the green-gold SUN GLOW® press pad. No other advertiser ever ran an ad with that color. Readers associate the color with Qualitex.

14. Qualitex also places ads featuring its green-gold press pad in the Korean Drycleaners Times, the Drycleaners News, the Bobbin, and the Agent magazines which are distributed regularly to the dry cleaning and garment industries.

15. Qualitex has prepared Bulletins which advertise the SUN GLOW® press pad in the green-gold color, distributes flyers at trade shows and uses various brochures and mailers both in English and Korean promoting its green-gold color. Qualitex also drapes its booths at trade shows with green-gold cover material to further associate the color with Qualitex.

16. From 1960 through September 30, 1990 Qualitex has expended approximately $1,621,000 for advertising the green-gold color of the SUN GLOW® pad and to promote it at trade shows.

17. Over the past 30 years, Qualitex has sold over one million SUN GLOW® press pads bearing the green-gold color.

18. Nineteen out of twenty-two award winning dry cleaners according to the *American Drycleaner* magazine, have used the Qualitex press pad for the last twenty years.

19. As a result of the long and exclusive use of its green-gold color in the marketplace Qualitex' SUN GLOW® pad has acquired distinctiveness or secondary meaning.

20. Some purchasers of press pads have come to identify and order Qualitex press pads over the telephone by merely describing its color.

21. For decades, other manufacturers have used the colors lime green, grey, dark green, light blue, orange,peach, blue/grey and other colors on their press pads.

## Intent to Copy

22. Jacobson has been in business since 1951 and supplies approximately 600 products to the dry cleaning and garment industry through 450-500 distributors. Jacobson manufactures a press pad known as the "Magic Glow" pad. The "Magic Glow" pad is constructed in various sizes from differing lengths of rubber, fiberglass and insulating materials with a bottom cloth.

23. Jacobson first began supplying press pads manufactured by Bishop Freeman Company in 1988. Jacobson has sold approximately 400 "Bishopads" in a dark green color, and 50-100 "Cushntop" pads in a two-tone grey/green color since 1988.

24. The materials in the Bishopad manufactured by Bishop Freeman are inferior to the materials in the Qualitex pad.

25. Prior to June, 1989 Qualitex was the only company that sold press pads for use in the dry cleaning and garment industries in the green-gold color made the subject matter of the present law suit.

26. When Jacobson decided to manufacture its own Magic Glow press pad, it contacted the president of Zellermayer Corporation at a Dallas, Texas trade show in March, 1989 to purchase cover material. A color swatch of Qualitex material was shown and Zellermayer was asked if that material could be obtained.

27. The parties discussed that the material was the same color as Qualitex, and Jacobson's president said that he wanted the Qualitex material for use in foreign markets. Zellermayer's president said he didn't believe he would have sold the Qualitex material to Jacobson if he knew it was to be used to copy the Qualitex press pad.

28. Jacobson purchased 700 yards of Qualitex green-gold "seconds" material in April, 1989 from Zellermayer Corporation in New York. Zellermayer had purchased the material from Amerbelle Corporation, the fabric finisher utilized by Qualitex.



29. The initial shipment of material to Jacobson consisted of overrun "seconds" material from an earlier Qualitex production run which Jacobson didn't like but nevertheless used to make "Magic Glow" pads.

30. After exhausting the initial 700 yards of Qualitex green-gold "seconds material," Zellermayer was unable to purchase additional Qualitex material for Jacobson based upon Amerbelle's claim that the green-gold color ("brass #6587") was exclusive to Qualitex.

31. Jacobson used a list of 200 mills nationwide to locate a supplier who would specially mix and provide the identical color of a material that Qualitex was using.

32. Jacobson then contacted Qualitex' fabric supplier, Brookwood Roll Goods, Inc. to purchase more Qualitex green-gold material but said request was refused.

33. Jacobson thereafter went to United Textile & Supply Company ("Unitex") with a sample swatch of the Qualitex material and asked that the material and color be duplicated.

34. The green-gold color was not a shelf item and had to be manufactured especially for Jacobson.

35. Jacobson purchased additional green-gold material from Unitex, after requesting that Unitex send a swatch of Qualitex material to an outside lab for testing of its composition, and ultimate duplication, leading to the successful imitation of the Qualitex green-gold color.

36. On January 24, 1990 Jacobson placed its first order for cover material with Unitex and a total of 5,096 yards of green-gold material was ultimately shipped to Jacobson by Unitex.

37. Jacobson first sold green-gold Magic Glow press pads to the industry at least as early as July, 1989.

38. Jacobson intentionally copied the overall look of Qualitex' green-gold press pad and one-half of the SUN GLOW® trademark.

**Likelihood of Confusion**

39. The Magic Glow press pad is an inferior quality to the Qualitex SUN GLOW® pad.

40. The components of the Jacobson pad are inferior to the Qualitex pad and the Jacobson pad will not last for 10 months like the Qualitex pad.

41. *Cover Cloth*. Qualitex cover cloth is constructed of 210 denier industrial yarn which is stronger and lasts longer than the 200 denier wearing apparel yarn used by Jacobson.

42. *Rubber*. Qualitex uses a 55 lb. rubber which is a heavier weight than the 33 lb. rubber used by Jacobson in its press pad.

43. *Fiberglass*. Qualitex uses a long-strand fiberglass which has an ability to dissipate heat quicker without deterioration than the short-strand fiberglass used by Jacobson.

44. *Bottom Cloth*. Qualitex uses a heavier weight white bottom cloth on its press pad which will last longer than the lighter weight bottom cloth used by Jacobson.

45. Qualitex and Jacobson are direct competitors, and they market their products through the same channels. Both sell to distributors who then sell to the dry cleaning and garment industries. Some distributors sell both Qualitex and Jacobson products.

46. Qualitex and Jacobson utilize the same advertising medium to promote their products. Both advertise in trade journals and other periodicals directed to dry cleaning and garment businesses.

47. Jacobson is selling its pad to distributors as a "look alike" Qualitex pad. One distributor sold Jacobson pads to customers who ordered Qualitex pads because he thought the customer wouldn't know the difference. One such customer returned the Jacobson pad and requested a Qualitex pad.



48. *Survey Evidence*. Personal interviews were conducted of 199 men and women in dry cleaner stores during the months of November and December, 1990 in four locations: Atlanta, Chicago, Los Angeles, and Philadelphia. Each respondent was shown a Jacobson press pad and asked: "What company or companies do you think makes this press pad?" 39% of the respondents answered Qualitex. Not one respondent named Jacobson. When asked: "What is it that makes you think [Qualitex] makes this press pad?" Numerous respondents stated the "color."

49. The sale of Jacobson's Magic Glow press pad has created the likelihood of confusion, deception or mistake in the marketplace.

**Non-functionality -- Competitive Need**

50. The natural color of the cordura and 210 denier yarn used in the Qualitex cover material is yellowed off-white.

51. Qualitex uses the ornamental green-gold dye to associate that color to its "SUN GLOW®" press pads.

52. Green-gold color dye on the cover material of a press paid does not make the press pad perform better. The color itself does not affect the quality of the goods one way or another.

53. Color itself makes the press pad more pleasing in appearance and only makes it look better.

54. The green-gold color dye for cover material is more expensive than other colors.

55. The use of the green-gold color does not make the press pad last longer.

56. Qualitex' green-gold color is a-non-primary color, and is merely a shade of green.

57. There is no competitive need in the press pad industry for the green-gold color, since other colors are equally usable.

58. There is a competitive need in the press pad industry for color, but the range of tones of available

distinctive suitable colors, which need not be primary colors, is in the hundreds, if not thousands.

**Damages**

59. The press pads sold by Qualitex and Jacobson to distributors have a retail price range from $13.00 to $195.00. The average range is $38.00 to $55.00.

60. Through December, 1990 Bishop Freeman Company manufactured 1,671 Magic Glow press pads for Jacobson in the green-gold color. At time of trial about 300 remained in inventory. The court concludes that approximately 1,371 were sold.

61. Jacobson sold Magic Glow press pads to the industry at an average price of $24.00 per pad.

62. Jacobson had actual notice of Qualitex' federal registration of the green-gold color for press pads at least as early as March 4, 1991.

## CONCLUSIONS OF LAW

**Infringement of Registered Trademark**

1. In order to succeed on its registered trademark claim, Qualitex must prove that (1) it possesses a valid trademark, and (2) that Jacobson's use of a similar mark is likely to cause confusion, mistake or deception in the marketplace. *Charles Schwab & Co. Inc. v. Hibernia Bank*, 665 F. Supp. 800, 803 (N.D. Cal. 1987).

2. Qualitex has a valid trademark registered on the Principal Register of the Patent and Trademark Office for the green-gold mark which is the subject of Registration No. 1,633,711, issued February 5, 1991.

3. The certificate No. 1,633,711 issued by the United States Patent and Trademark Office is *prima facie* evidence of: (i) the validity of the Qualitex' registered mark, (ii) of Qualitex' ownership of the mark, and (iii) of Qualitex' exclusive right to use the registered mark in commerce on or in connection with the goods specified in



the certificate, subject to any conditions or limitations stated in said certificate. 15 U.S.C. § 1057(b).

4. The burden is on Jacobson to prove by a preponderance of the evidence that Qualitex' federal registration is invalid -- 578 F.2d 295, 301 (CCPA, 1978).

5. Jacobson has failed to meet its burden to prove that Qualitex' trademark Registration No. 1,633,711 is invalid and therefore the relief requested in the Counterclaim to cancel said Registration is denied.

6. The sale of Jacobson's press pad in the substantially similar green-gold color as Qualitex' registered trademark has created a likelihood of confusion, deception or mistake in the marketplace.

7. By selling a press pad in the substantially similar green-gold color Jacobson has infringed Qualitex registered trademark No. 1,633,711 issued February 5, 1991 by the United States Patent and Trademark Office.

8. In recognizing the trademark as valid, there is no danger of "color depletion." There are hundreds or thousands of distinctive shades of greens, yellows, blues, and browns or tans available to the competitors without danger that recognizing plaintiff's trademark will hinder competition.

**Unfair Competition**

9. The protection against unfair competition afforded by Section 43(a) of the Lanham Act covers a broad range of actionable harms. *Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844, 858 (1982). This section was designed to create a cause of action beyond simple trademark infringement of the pe arising under Section 32 of the Act. *Id.*; *SK&F. Co. v. Premo Pharmaceutical Lab.*, 625 F.2d 1055, 1065 (3d Cir. 1980).

10. The "ultimate test" of unfair competition in the Ninth Circuit is whether consumer confusion or deception is likely as a result of the defendant's acts.

*Century 21 Real Estate Corp. v. Sullivan*, 846 F.2d 1175, 1178 (9th Cir. 1988).

11. Trademark infringement is but one species of the far broader law of unfair competition. McKenney & Long, *Federal Unfair Competition: Lanham Act Section 43(a)*, Section 3.01, p. 3-10 (1990). The Lanham Act's statement of what constitutes unfair competition and false designation of origin does not state any requirement that a protectable trademark be at issue.

12. *Degree Of Care*. Korean and other foreign speaking purchasers of press pads are unlikely to exercise a sufficiently high degree of care to avoid purchasing a Jacobson pad when they are shown a green-gold pad which they naturally assume to be the Qualitex pad that they have come to recognize. The law protects such purchasers.

> The law, however, protects not only the intelligent, the experienced, and the astute. It safeguards from deception also the ignorant, the inexperienced, and the gullible.

*Stork Restaurant Inc. v. Sahati*, 166 F.2d 348, 359 (9th Cir. 1948)."

13. *Intent*. Jacobson's use of Qualitex' green-gold color is intended to trade off of the goodwill that Qualitex has developed in its green-gold trademark. Evidence of such an intention is strong evidence of a likelihood of confusion, deception or mistake. *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 616 (9th Cir. 1989); *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 845-46 (9th Cir. 1987).

14. The press pad survey conducted by Elrick & Lavidge demonstrates that 39% of the respondents, when shown the Jacobson pad, believed it to be a Qualitex pad. The survey's findings are significant evidence that people who purchase press pads are likely to be confused, mistaken



or deceived when they see or encounter the accused Jacobson pad in the marketplace.

15. Surveys of the type conducted on behalf of Qualitex are relevant evidence on the issue of likelihood of confusion. *James Burrough, Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266 (7th Cir. 1976) (15% "probative"); *RJR Foods, Inc. v. White Rock*, 603 F2d 1058 (2d Cir. 1979) (15%-20% "corroborative"); *Exxon Corp. v. Texas Motor Exchange, Inc.*, 628 F.2d 500 (5th Cir. 1980) (15%, 23% "strong evidence of likelihood of confusion").

16. Jacobson is guilty of unfair competition under Section 43(a) of The Lanham Act as stated in Count II of the Complaint by (1) copying the appearance of the SUN GLOW pad and deceiving purchasers, (2) putting an inferior product into the marketplace under Qualitex' distinctive trade dress to the detriment of said purchasers and Qualitex, and (3) infringing Qualitex' registered trademark for the green-gold color for use on press pads.

**Trade Dress**

17. "A product's trade dress attains secondary meaning when the purchasing public associates the dress with a single producer or source rather than just the product itself." *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1383 (9th Cir. 1987).

18. The duration of its exclusive use of the green-gold color on its press pad, the significant amount of sales for over 30 years, and the "image advertising" of the pad by Qualitex, including consumers' awareness of that advertising as stated above, all demonstrate that the Qualitex press pad has acquired secondary meaning.

19. "[P]roof of copying strongly supports an inference of secondary meaning." *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 615 (9th Cir. 1989). *Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1016 (9th Cir. 1985), *cert. denied*, 474 U.S. 1059 (1986).

20. "In this Circuit, the aesthetic functionality test has been limited, *Vuitton*...if not rejected, *Fabrica* ... in favor of the 'utilitarian' functionality test." *First Brands Corp v. Fred Meyer Inc.*, 809 F.2d 1378, 1382 n.3 (9th Cir. 1987).

21. Qualitex' green-gold mark is not functional. In determining functionality, a product's trade dress must be analyzed as a whole. *California Cooler, Inc. v. Loretto Winery, Ltd.*, 774 F.2d 1451, 1455 (9th Cir. 1985). "[A] product feature is functional if it is essential to the [product's] use ... or if it affects the cost or quality of the article." *Inwood Laboratories, Inc v. Ives laboratories, Inc.*, 456 U.S. 844, 850 n.10, 102 S.Ct. 2182, 2187 n.10 (1982).

22. Color is not an inherent attribute or natural characteristic of the press pad, but instead is a feature added by Qualitex and other manufacturers. The color is not added to make the product work better, it is only added as an ornamental or aesthetic adornment and to improve the appearance of the pad while being used.

23. The green-gold shade of color which distinguishes the Qualitex press pad that is being copied by Jacobson is not legally functional because it is not related in any way to the product's use, cost, quality or longevity.

24. Since Qualitex' green-gold color is not a primary or secondary color, its appropriation and exclusive use by Qualitex will not deprive competitors of the right to use a *primary color. First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378 (9th Cir. 1987).

25. Non-primary color, akin to an overall surface design, can perform the function of a trademark when the other requirements of trademark law are met. *In re: Owens-Corning Fiberglass Corp.*, 774 F.2d 1116 (Fed. Cir. 1985).

26. The total impression of the Qualitex green-gold pad and its "Sun Glow" name constitute the trade dress (overall appearance) of the Qualitex product. In order to prove that its trade dress has been infringed,



Qualitex must show that: (1) the trade dress is non-functional, (2) the trade dress has acquired secondary meaning, and (3) it is likely to be confused with the trade dress of Jacobson's product by consumers. *White Swan, Ltd. v. Clyde Robin Seed Co., Inc.*, 729 F. Supp. 1257, 1259 (N.D. Cal. 1989).

27. *Strength*. Qualitex' green-gold trademark is strong. The strength of the green-gold mark supports a finding of likelihood of confusion, deception or mistake when purchasers see the Jacobson pad.

28. *Confusion*. "It is not necessary to prove actual confusion in order for plaintiff to prevail." *Geoffrey, Inc. v. Stratton*, 16 USPQ2d 1691, 1696 (C.D. Cal. 1990).

29. Qualitex' green-gold color is non-functional under the Ninth Circuit's functionality law, and the appearance of the product has acquired secondary meaning among its consumers. The survey evidence shows that confusion between Qualitex' trade dress and the Jacobson knock-off named "Magic Glow" is likely. For these reasons, Qualitex is entitled to relief on the additional basis that Jacobson has infringed the Qualitex trade dress.

**Relief**

30. The facts in the present case are remarkably similar to those in *Owens-Corning* and therefore also constitute an "extraordinary" case to confirm trademark protection to the green-gold color for use on press pads.

31. Jacobson's Sixth Affirmative Defense on unclean hands is denied.

32. Qualitex is entitled to an injunction against Jacobson's infringement of the green-gold registered trademark pursuant to 15 U.S.C. § 1116.

33. Qualitex is entitled to an injunction against Jacobson's unfair competition pursuant to 15 U.S.C. § 1125(a).

34. Qualitex is entitled to an injunction against Jacobson's infringement of the trade dress of Qualitex Sun Glow press pads.

35. Jacobson is liable to Qualitex for the profits it made from its infringement in the amount of $8,208.13 pursuant to 15 U.S.C. § 1117.

36. While the copying was deliberate, it was done in a belief that plaintiff could not appropriate a color. In the state of the law at the time, this view was not unreasonable. Enhanced damages and attorneys' fees will not yet be awarded.

Adopted 9/3/91
Harry L. Hupp, U.S.D.J.



## APPENDIX E - JUDGMENT OF THE DISTRICT COURT, ENTERED SEPTEMBER 3, 1991

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

| | | |
|---|---|---|
| **QUALITEX COMPANY, an Illinois corporation,** | ) | |
| *Plaintiff and Counterdefendant,* | ) | No. CV 90 1183 HLH(JRX) |
| *vs.* | ) | |
| **JACOBSON PRODUCTS COMPANY, INCORPORATED, a California corporation,** | ) | JUDGMENT |
| *Defendant and Counterdefendant.* | ) | |

THE COURT having heard and considered the evidence, deposition transcripts, and testimony at trial, having read and considered the Stipulations and Briefs of the respective parties,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. Judgment is entered in favor of the plaintiff and against the defendant on the Third Cause of Action in the Supplemental Complaint for infringement of plaintiffs registered trademark for the green-gold color on press pads. 15 U.S.C. § 1116.

2. Judgment is entered in favor of the plaintiff and against the defendant on defendant's Counterclaim for cancellation of the registered green-gold trademark.

3. Judgment is entered in favor of the plaintiff and against the defendant on the First and Second

Causes of Action for unfair competition under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

4. Judgment is entered in favor of plaintiff and against the defendant in the amount of $8,208.13 representing the net profits made by defendant from the sale of the infringing Magic Glow pads, plus costs in the amount of $6,514.00.

5. The defendant Jacobson Products Company, its agents and employees and all those in active concert or participation with them, who have actual notice of this order, are hereby permanently enjoined from manufacturing, marketing or selling press pads made of any fabric using the same green-gold color of the Qualitex press pads, or so close to said color that it cannot be easily distinguished from the Qualitex color by the casual user.

Dated: Sept. 3, 1991

/s/ HARRY L. HUPP
UNITED STATES DISTRICT JUDGE



## APPENDIX F - OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT, ENTERED JANUARY 3, 1994

**UNITED STATES COURT OF APPEALS**
**FOR THE NINTH CIRCUIT**

**QUALITEX COMPANY,**
**Plaintiff-Appellee,**

**JACOBSON PRODUCTS COMPANY, INC.,**
**Defendant-Appellant.**

**No. 91-56260.**

Argued and Submitted Feb. 2, 1993.
Decided Jan. 3, 1994.

Appeal from the United States District Court for the Central District of California.

Before HUG, FERGUSON, O'SCANNLAIN, Circuit Judges.

HUG, Circuit Judge:

The primary issue in this trademark and unfair competition case is whether color per se is protectable under the Lanham Act. This action involves a claim of trademark infringement and unfair competition. Qualitex Company ("Qualitex") contended that Jacobson Products Company, Inc. ("Jacobson") was manufacturing and selling green-gold press pads designed to look like the "SUN GLOW" pads that Qualitex had promoted and sold for over 30 years. Jacobson brought a counterclaim to declare invalid the Qualitex trademark for the color of its pads on the ground that a trademark could not be granted for color alone. The district court held Jacobson liable for damages from trademark infringement and unfair competition, and enjoined Jacobson from manufacturing, marketing, or

selling press pads of the same green-gold color as the pads marketed by Qualitex.

The district court's jurisdiction was based upon 15 U.S.C. §1121 and 28 U.S.C. § 1338(a) and (b). We have jurisdiction pursuant to 28 U.S.C. § 1291, and we affirm the judgment against Jacobson for unfair competition but hold that the Qualitex trademark for color alone is invalid.

## I.

Qualitex, an Illinois corporation, manufactures and sells various products for dry cleaners, laundries and garment manufacturers. In 1957, Qualitex began manufacturing and selling its "SUN GLOW" press pad for use on dry cleaning presses. Qualitex's predecessor registered the trademark "SUN GLOW" with the United States Patent and Trademark Office in 1969. The fabric for the cover of the pad is a unique green-gold color.

Jacobson began manufacturing and marketing a "MAGIC GLOW" press pad in 1989. The cover is the same green-gold color as that of Qualitex's "SUN GLOW" pad, and the names of the pads are similar.

Qualitex initiated this action on March 9, 1990, by filing a complaint seeking injunctive relief and damages from Jacobson on the grounds that (1) Jacobson infringed Qualitex's trade dress in violation of Section 43(a) of the Lanham Act; and (2) Jacobson "passed off' its goods as those of Qualitex, and thus was guilty of unfair competition in violation of section 43 of the Lanham Act. During the pendency of this action, Qualitex filed for registration of the green-gold color. Registration was granted by the Patent and Trademark Office on February 5, 1991, and Qualitex added to its complaint the claim that Jacobson infringed Qualitex's federally registered trademark, in violation of Section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1).

Jacobson argued that its actions were not prohibited by Section 43(a) of the Lanham Act, 15 U.S.C.



§ 1125(a), as unfair competition. Further, Jacobson counterclaimed for the cancellation of Qualitex's registered trademark, arguing that no valid interest existed because color per se is not protectable; the color is functional and thus not protectable; no likelihood of confusion existed; and no secondary meaning was associated with Qualitex's trademark.

The evidence showed that readers of a trade publication associated the green-gold color with Qualitex, and that the "SUN GLOW" pad had acquired secondary meaning, as a result of its long and exclusive use by Qualitex. Jacobson admitted intentionally copying the overall look of Qualitex's green-gold press pad. The court concluded that the sale of the Jacobson pad had created the likelihood of confusion, deception or mistake in the marketplace. As to the green-gold color, the court found that the color did not affect the quality of the pads, and that there was no competitive need in the industry for the particular green-gold color. Although the court found a competitive need in the industry for color in general, the court noted that the range of tones available was "in the hundreds, if not thousands."

In its Conclusions of Law, the court held that Jacobson had infringed Qualitex's registered trademark and had failed to prove that the trademark was invalid. Jacobson was found guilty of unfair competition by copying the appearance of the "SUN GLOW" pad and deceiving purchasers, putting an inferior product into the marketplace under Qualitex's distinctive trade dress to the detriment of said purchasers and Qualitex, and infringing Qualitex's registered trademark for the green-gold color. Finally, the court held that Jacobson was also guilty of unfair competition because Jacobson had infringed Qualitex's trade dress.

The district court's order provided that Qualitex was entitled to an injunction against Jacobson's infringement of the registered trademark and the trade dress, and against the unfair competition. Jacobson was also held liable for the

profits it made from its infringement. The court did not award enhanced damages and attorney's fees because Jacobson's copying had been done under the reasonable belief that Qualitex could not appropriate a color.

## II.

A claim of federal trademark infringement may be brought against one who, without the permission of the holder of the registered trademark, use[s] in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive....

15 U.S.C. § 1114(1)(a); *see also Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1178 (9th Cir. 1988).

While this case was pending, Qualitex applied to the U.S. Patent and Trademark Office for a Certificate of Registration, granted on February 6, 1991. The registration states in part:

> For machine parts: namely, press pads and covers for press pads for commercial and industrial presses....
>
> The drawing is lined for the color gold.
>
> The mark consists of a particular shade of green-gold applied to the top and side surfaces of the goods.

Certificate of Registration No. 1,633,711.

A certificate of registration is prima facie evidence of the validity of the mark and relieves the holder, Qualitex, of the burden of proving nonfunctionality and secondary meaning. 16 U.S.C. § 1067(b). It shifts the burden of proof to the contesting party, who must introduce



sufficient evidence to rebut the presumption of the holder's right to protected use. See Vuitton et Fils S v. J. Young Enterprises, Inc., 644 F.2d 769, 776 [212 USPQ 86] (9th Cir. 1981). Jacobson contends that it met that burden by showing that Qualitex's green-gold color alone is not protectable, and that the trademark is invalid.

## III.

The district court ruled that Jacobson infringed on Qualitex's registered trademark, the green-gold color of the press pads. A district court's findings of facts are reviewed for clear error. *See Clamp Mfg Co. v. Enco Mfg Co.*, 870 F.2d 612, 614 (9th Cir.), *cert. denied*, 493 U.S. 872 (1989). Whether color per se qualifies for trademark protection is a legal question to be reviewed de novo. See id. ("[i]ssues concerning the correct test to be used in evaluating trademark infringement are reviewed de novo").

Registration of mere color is not explicitly barred by the Lanham Act, which provides that "[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration," 15 U.S.C. § 1052, unless one of the specific exceptions to registrability set forth in 15 U.S.C. § 1052 applies. Color is not listed as an exception. *See In re Owens-Corning Fiberglass Corp.*, 774 F.2d 1116, 1119 (Fed. Cir. 1985). However, the courts of appeals generally have refused to grant trademark protection for color alone. *See Owens-Corning*, 774 F.2d at 1128 & n.2, 1129 (Bissell, J., dissenting) (collecting circuit decisions denying trademark protection for color alone); 1 J. Thomas McCarthy, *Trademarks & Unfair Competition* §§ 7:16, 7:17 (2d ed. 1984) (color per se, unconfined by any defined design, generally cannot be the subject of a trademark; the use of one color as the color of a product usually does not have trademark significance).

A divided panel of the Federal Circuit held that in the unusual circumstances presented by Owens-Corning,

where vast sums had been expended in advertising their pink insulation through the "Pink Panther" ads, and where there was no competitive need for the color pink, a trademark for that color was properly registered as a trademark. *Owens-Corning*, 774 F.2d at 1128.

In a more recent decision, the Eighth Circuit refused to establish a per se rule prohibiting the registration of color as a trademark. *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219, 223 (8th Cir. 1993). In *Master Distributors*, the district court held, as a matter of law, that color alone could not be protected as a trademark. The court of appeals reversed, declining to establish that as a matter of law a color alone could not be protected. The court ruled that if a party can establish all the normal trademark requirements arising from the color of its product, the party can register that color as a trademark. *Id.* at 224.

The majority of the other circuits have refused to give a color the protection of a registered trademark. The Seventh Circuit recently affirmed its rule that the overall color of a product cannot be a trade identity designation, and is not entitled to registration. *See NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991). *NutraSweet* held that color alone cannot be protected as a trademark, although it may be protected if used "in connection with some symbol or design or impressed in a particular design." *Id.* at 1027.

NutraSweet claimed trade-dress infringement under section 43(a) when another company began marketing tabletop sweetener in a blue packet that was similar, but not identical, to the shade of blue used by NutraSweet for its tabletop sweetener. *Id.* at 1026. The court noted that the appropriation of particular colors could lead to questions of shade confusion, and stated that granting to NutraSweet a protectable interest in pastel blue "might create a barrier to otherwise lawful competition in the tabletop sweetener market." *Id.* at 1028. The court declined to adopt "a fact-driven standard which would require the trial court to scrutinize the tabletop sweetener market to determine the



number of competitors and the likelihood of future competitors in that market to determine whether there is a competitive need for the color blue to remain available." *Id.* Thus, the Seventh Circuit refused to recognize any protectable interest in color alone.

We discussed the question of whether color alone could be validly registered as trademark in *First Brands Corp. v. Fred Mayer, Inc.*, 809 F.2d 1378 (9th Cir. 1987), in the context of a trade dress case. We noted that when "[c]onfronted with an unusual set of facts the court in *Owens-Corning* established a very limited rule that in certain situations a particular color could itself be registered as a trademark." *Id.* at 1382. We did not adopt the *Owens-Corning* rule, as we were merely referring to it in the context of a trade dress case, where we ultimately held that a yellow ordinarily shaped antifreeze container was not protectable trade dress. *Id.* at 1381, 1385.

[1] In this case, we confront the issue of whether to follow the majority of circuits in holding that color alone cannot form the basis for a trademark, or to acknowledge the exception of *Owens-Corning*. We conclude that the better rule is that a trademark should not be registered for color alone. As many cases have noted, under the color depletion theory, no person should have a monopoly on a primary color. We recognize that there are countless shades of colors that could not be depleted, but then, we could well become involved in "shade confusion" as noted in *NutraSweet*, 917 F.2d at 1027, and in Judge Bissell's dissent in *Owens-Corning*, 774 F.2d at 1131. Drawing distinctions - between close shades of color could present unnecessary problems. Adequate protection is available when color is combined in distinctive patterns or designs or combined in distinctive logos. *See Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 613 (9th Cir. 1989). Furthermore, as we discuss hereafter, further protection is afforded by the Lanham Act's unfair competition provisions.

## IV.

The basic test for unfair competition is whether consumer confusion or deception is likely as a result of the defendant's acts. *Century 21*, 846 F.2d at 1178. Registration of a trademark is not a prerequisite for recovery under section 43(a), but a party must have a "reasonable interest to be protected." *New West Corp. v. NYM Co. of California, Inc.*, 595 F.2d 1194, 1198 (9th Cir. 1979), *quoted* in *Smith v. Montoro*, 648 F.2d 602, 605 (9th Cir. 1981); *see also Metric & Multistandard Components Corp. v. Metrc's, Inc.*, 635 F.2d 710, 714 (8th Cir. 1980) (a mark not entitled to trademark protection may be entitled to unfair competition protection).

A claim of unfair competition under Section 43(a) of the Lanham Act can take many different forms. Section 43(a) of the Lanham Act states:

> (a)(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which
>
> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person ...shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.



15 U.S.C. § 1125 .... Traditionally, many courts restricted claims for unfair competition to situations where there was "passing off," which is the selling of a good of one's own creation under the name or mark of another. *See Smith*, 648 F.2d at 604. "Express passing off occurs when an enterprise labels goods or services with a mark identical to that of another enterprise, or otherwise expressly misrepresents that the goods originated with another enterprise." *Id*. However, a claim of unfair competition under section 43(a) is no longer limited to cases of passing off. Professor McCarthy has noted that:

> most courts [today] recognize that passing off is merely a single type of theory within the broad spectrum of unfair competition law. Today, the law of Unfair Competition and Trademarks has progressed far beyond the old concept of fraudulent passing off, to encompass any form of competition or selling which contravenes society's current concepts of "fairness"....

2 McCarthy 25:1, 233 (footnotes omitted). In *Smith v. Montoro*, we expressly adopted the same view. 648 F.2d at 604.

[2] Another way a party may be guilty of unfair competition under section 43(a) is a "trade dress" infringement. The trade dress of a product is its overall image as it is presented to the consumer and includes aspects such as the size, shape, color, or design of the product. *See NutraSweet*, 917 F.2d at 1027 n.7; 15 U.S.C. § 1125(a). For a successful trade-dress claim, the plaintiff must show that its trade dress is protectable and that the defendant's use of similar trade dress is likely to confuse customers. *See Vision Sports*, 888 F.2d at 613. There are yet other ways of violating section 43(a), such as by using

false or misleading geographical terms. As we noted in *New West*:

> [T]he ultimate test [under Section 43(a) of the Lanham Act] is whether the public is likely to be deceived or confused by the similarity of the marks. Whether we call the violation infringement, unfair competition or false designation of origin, the test is identical--is there a "likelihood of confusion?

*New West*, 595 F.2d at 1201 (citations omitted).

Trade-dress infringement is proved by showing (1) the trade dress is nonfunctional, (2) it has acquired secondary meaning, and (3) there is a likelihood of confusion between the products. *First Brands*, 809 F.2d at 1381; *Vision Sports*, 888 F.2d at 613. In a trade-dress infringement claim, the trier of fact must look at the "total impression of the package, size, shape, color, design, and name" to determine if it is likely to confuse the consumer as to the origin of the product. 1 McCarthy 2:2 (quoting *Jean Patou, Inc., v. Jacqueline Cochran, Inc*, 201 F. Supp. 861 (S.D.N.Y. 1962), *aff'd*, 312 F.2d 125 (2d Cir. 1963)); *Vision Sports*, 888 F.2d at 613. In other words, whereas in a registered trademark infringement case, the court must look at a single aspect of the product -- the trademark itself -- a court in an trade-dress infringement case must look at the product as a whole. Therefore, it is possible to succeed on a suit for unfair competition even when there is no registered trademark to begin with or even if no aspect of the package, taken alone, is registrable as a trademark. *Id.*

[3] The district court determined that the "total impression" of the Qualitex green-gold pad and its "SUN GLOW" name constituted the trade dress, or overall appearance, of the Qualitex product. The court found that Qualitex had shown that the trade dress was nonfunctional, had acquired secondary meaning, and was likely to be



confused with the trade dress of Jacobson's product. We review the district court's findings on the elements of nonfunctionality, secondary meaning, and likelihood of confusion for clear error. *Clamp Mfg. Co.*, 870 F.2d at 514. We will not disturb the district court's decision unless, after reviewing all of the evidence, we are left with the definite and firm conviction that a mistake has been committed. *Id.* We conclude that the district court did not err in holding that Jacobson infringed on Qualitex's trade dress.

First, the district court found that the trade dress of the "SUN GLOW" press pad was nonfunctional. If a feature is functional, it is not protectable under the law of unfair competition. *First Brands*, 809 F.2d at 1381. "A product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850 n.10 (1982); *see also Vuitton et Fils S.A.*, 644 F.2d at 773 (reversing district court's order invalidating registered trademark, and remanding for trial on the functionality issue).

The district court found that Qualitex's use of the green-gold color was aesthetic only; was not related in any way to the product's use, cost, quality, or longevity; was used to associate the color with the "SUN GLOW" press pads; and was more expensive than other colors. The district court found that the green-gold color was ornamental and did not make the pad perform any better than if any other color was used. Although evidence was presented that there may be a functional reason to have colored press pads to maintain a clean appearance, we conclude that it was not error for the district court to conclude that "there is no competitive need for the green-gold color, since other colors are equally usable" and that "the range of tones of available distinctive suitable colors ... is in the hundreds if not thousands."

Second, the district found that the trade dress of the press pad had acquired secondary meaning. A product

has secondary meaning if purchasers in that product's market associate the trade dress of the product with a particular source. *See Clamp*, 870 F.2d at 517. The factors to be assessed in determining secondary meaning are whether actual purchasers associate the press pads' trade dress with Qualitex, the degree and manner of Qualitex's use of the trade dress, and whether Qualitex's use of the trade dress has been exclusive. *See id.* at 517; *Vision Sports*, 888 F.2d at 615. Evidence that the manufacturer has used and advertised the product over a substantial period of time is sufficient to establish secondary meaning. *Clamp*, 870 F.2d at 517 (citing *First Brands*, 809 F.2d at 1383). Proof that another party intentionally copied the trade dress strongly supports a finding of secondary meaning. *Vision Sports*, 888 F.2d at 615.

Qualitex presented evidence that its customers have come to rely on the appearance of the "SUN GLOW" pad and to associate that appearance with Qualitex and Qualitex's reputation of producing a high-quality longer-lasting product. The evidence showed: Qualitex has sold its "SUN GLOW" press pad with a green-gold color for over 30 years. The company has spent over $1.6 million in advertising and promoting its press pads in magazines and at trade shows, and nearly all advertising and promotion have highlighted the green-gold color of the pad. Qualitex has run advertisements featuring the press pad's green-gold color on a monthly basis for the last 30 years in a leading magazine aimed at the dry cleaner market. There was evidence that readers of a trade publication associated the green-gold color with Qualitex. Further, Jacobson admitted intentionally copying the overall look of Qualitex's green-gold press pad. Thus, there was convincing evidence that the trade dress had acquired secondary meaning as a result of its long exclusive use by Qualitex.

Third, the court found that the sale of the Jacobson pad had created the likelihood of confusion, deception or mistake in the marketplace. Factors that may be considered in determining a likelihood of confusion



include the strength of the mark, the similarity of the mark, the class of goods and marketing channels, evidence of actual confusion, the intent of the second user, the degree of care likely to be exercised by the purchaser, and the likelihood of expansion of the product lines. *See Eclipse Assoc. Ltd v. Data General Corp.*, 894 F.2d 1114, 1117-18 (9th Cir. 1990); *AMF, Inc. v. Sleekcraft Boats*, 99 F.2d 341, 348-49 (9th Cir. 1979). These factors are nonexclusive guidelines and are not to be applied as a rigid formula. *Eclipse*, 894 F.2d at 1118.

The district court found that Jacobson intentionally copied the appearance of the "SUN GLOW" pad, and had put an inferior product into the marketplace under Qualitex's distinctive trade dress to the detriment of Qualitex and purchasers. Jacobson's president and vice president testified that they deliberately copied the Qualitex pad cover.

The district court also found that there was a high degree of similarity between the products. Jacobson used exactly the same green-gold color as Qualitex. At trial, Qualitex showed that Jacobson stamps "MAGIC GLOW" on the side or skirt portion of the press-pad cover, which is the same portion of the pad where Qualitex stamps "SUN GLOW."

The degree of care likely to be exercised by the consumer also supported a finding of likelihood of confusion. Qualitex presented evidence that many purchasers do not speak or read English well. The court found that many "foreign speaking purchasers of press pads are unlikely to exercise a sufficiently high degree of care to avoid purchasing a Jacobson pad when they are shown a green-gold pad."

As to actual confusion, Qualitex presented evidence of a survey. In that survey, when people in the dry cleaning industry were shown a Jacobson press pad and asked to identify the manufacturer, 39% responded that it was a Qualitex pad, while not a single respondent answered that it was a Jacobson pad.

[4] We find ample evidence in the record to conclude that the district court did not err in finding the necessary elements of a trade-dress infringement claim under Section 43(a) of the Lanham Act and concluding that Jacobson violated that section. We uphold the injunction.

Because we have found a violation of section 43(a) under a theory of trade-dress infringement, we do not address the passing-off claim. We note that the remedy for a violation of section 43(a) is the same regardless of the theory involved.

V.

The judgment for Qualitex on its claim for unfair competition, together with the monetary damages awarded, and the injunction against further infringement are affirmed. The judgment for Qualitex on its claim for trademark infringement and the judgment on Jacobson's counterclaim for cancellation of the trademark are reversed, and the district court is directed to enter judgment for Jacobson on its counterclaim.

**AFFIRMED in part, and REVERSED in part, and REMANDED.**



## APPENDIX G-REVISED JUDGMENT OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA ENTERED JUNE 10, 1994

**IN THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA**

| | | |
|---|---|---|
| **QUALITEX COMPANY, an Illinois corporation,** | ) | No. CV 90 1183 HLH(JRX) |
| *Plaintiff,* | ) | |
| **JACOBSON PRODUCTS COMPANY INCORPORATED, a California corporation,** | ) | REVISED JUDGMENT |
| *Defendant.* | ) | Place: Courtroom 7 Hon. Harry L. Hupp |

THE COURT having received the Judgment and mandate from the United States Court of Appeals for the Ninth Circuit dated January 3, 1994 directing this court to cancel plaintiff's registered Trademark No. 1,633,711 with the United States Patent and Trademark Office;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

Paragraphs 1 and 2 of the Judgment entered herein on September 3, 1991 are vacated and in lieu thereof the following are entered:

6. Judgment is entered in favor of the defendant and against the plaintiff on the Third Cause of Action in the Supplemental Complaint for infringement of plaintiff's registered trademark for the green-gold color on press pads.

7. Judgment is entered in favor of the defendant and counterclaimant Jacobson Products Co., Inc. and against plaintiff and counterdefendant Qualitex

Company on defendant's Counterclaim for cancellation of Registration No. 1,633,711.

In all other respects the Judgment of September 3, 1991 shall remain the same.

DATED: May __, 1994

UNITED STATES
DISTRICT JUDGE

Presented by:

/s/ Donald G. Mulack
Donald G. Mulack
Attorney For Plaintiff
QUALITEX COMPANY

Approved as to form:

/s/ Laurence D. Strick
Laurence D. Strick
Attorney For Defendant
JACOBSON PRODUCTS COMPANY



## APPENDIX H - ORDER OF THE UNITED STATES SUPREME COURT GRANTING CERTIORARI, ENTERED SEPTEMBER 23, 1994

SUPREME COURT OF THE UNITED STATES

No. 93-1577

Qualitex Company,

Petitioner,

v.

Jacobson Products Company, Inc.

Respondent.

ORDER ALLOWING CERTIORARI. Filed September 26, 1994.

The petition herein to a writ of certiorari to the United States Court of Appeals for the Ninth Circuit is granted limited to Question 1 presented by the petition. The brief of petitioner is to be filed with the Clerk and served upon opposing counsel on or before 3 p.m., Tuesday, November 8, 1994. The brief of respondent is to be filed with the Clerk and served upon opposing counsel on or before 3 p.m., Tuesday, December 6, 1994. A reply brief, if any, is to be filed with the Clerk and served upon opposing counsel on or before 3 p.m., Tuesday, December 20, 1994. Rule 29.2 does not apply.

September 26, 1994

Supreme Court, U.S.
FILED
NOV 8 1994
OFFICE OF THE CLERK

No. 93-1577

**IN THE**
**SUPREME COURT OF THE UNITED STATES**
**OCTOBER TERM, 1994**

QUALITEX COMPANY,

*Petitioner,*

v.

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

# PETITIONER'S BRIEF ON THE MERITS

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**PETITION FOR CERTIORARI FILED APRIL 4, 1994**
**CERTIORARI GRANTED SEPTEMBER 26, 1994**

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40 pp

## QUESTION PRESENTED

Whether the Lanham Act prohibits the registration of color as a trademark.

## STATEMENT PURSUANT TO RULE 29.1

As set forth in the Petition for Certiorari, Qualitex Company has no parent or subsidiary companies.



## TABLE OF CONTENTS


Page

OPINIONS BELOW . . . . . 1

JURISDICTION . . . . . 2

STATUTORY PROVISIONS INVOLVED . . . . . 2

STATEMENT OF THE CASE . . . . . 6

SUMMARY OF THE ARGUMENT . . . . . 11

ARGUMENT . . . . . 12

I. THE LANHAM ACT DOES NOT PROHIBIT REGISTRATION OF COLOR TRADEMARKS . . . . . 12

A. THE EXPRESS LANGUAGE OF THE LANHAM ACT PERMITS REGISTRATION OF COLOR AS A TRADEMARK . . . . . 12

B. THE LEGISLATIVE HISTORY OF THE LANHAM ACT DEMONSTRATES THAT CONGRESS INTENDED REGISTRATION OF COLOR TRADEMARKS . . . . . 14

C. THE PATENT AND TRADEMARK OFFICE HAS CONSTRUED THE LANHAM ACT TO PERMIT THE REGISTRATION OF COLOR TRADEMARKS . . . . . 19

II. THE REGISTRATION OF COLOR TRADEMARKS SERVES THE UNDERLYING POLICIES OF THE LANHAM ACT . . . . . 22

CONCLUSION . . . . . 28



## TABLE OF AUTHORITIES

Page

**CASES**

*Albemarle Paper Co. v. Moody*, 422 U.S. 405 (1974) . . . . . 18

*Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 316 (1938), *reh'g denied*, 305 U.S. 675, (1939) . . . . . 12, 15, 22

*Beech-Nut Packaging Co. v. P. Lorrilard Co.*, 273 U.S. 629 (1927) . . . . . 28

*British Seagull Ltd. v. Brunswick Corp.*, 28 U.S.P.Q. 1197 (T.T.A.B. 1993), *aff'd*, 32 U.S.P.Q. 1120 (T.T.A.B. 1994) . . . . . 19

*Caminetti v. United States*, 242 U.S. 470 (1917) . . . . . 14

*Campbell Soup Company v. Armour & Co.*, 175 F.2d 795 (3d Cir.), *cert. denied*, 338 U.S. 847 (1949) . . . . . 21, 25

*Chevron, U.S.A., Inc. v. National Resources Defense Counsel, Inc.*, 467 U.S. 837, *reh'g denied*, 468 U.S. 1227 (1984) . . . . . 16, 22

*Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85 (S.D. Iowa 1982), *aff'd*, 721 F.2d 253 . . . . . 27

*Diamond Match Co. v. Saginaw Match Co.*, 142 F. 727 (6th Cir.), *cert. denied*, 203 U.S. 589 (1906) . . . . . 25

*Freytag v. Commissioner of Internal Revenue*,
501 U.S. 868 (1991) . . . . . 14

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167 U.S.P.Q. 255 (T.T.A.B. 1970) . . . . . 27

*In re Owens-Corning Fiberglas Corp.*,
774 F.2d 1116 (Fed. Cir. 1985) . . . . . 12, 14, 16, 26

*In re Pollak Steel Co.*,
131 U.S.P.Q. 482 (T.T.A.B. 1961),
*aff'd*, 314 F.2d 566 (C.C.P.A. 1963) . . . . . 19

*In re Shaw*, 184 U.S.P.Q. 253 (T.T.A.B. 1975) . . . . 19

*Inwood Labs, Inc. v. Ives Labs, Inc.*,
456 U.S. 844 (1982) . . . . . 19, 23, 24

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113 S. Ct. 2035 (1993) . . . . . 18

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*reh'g denied*, 429 U.S. 873 (1976) . . . . . 14

*K Mart Corp. v. Cartier, Inc.*,
486 U.S. 281 (1988) . . . . . 21

*Lorillard, A Division of Loew's*
*Theatres, Inc. v. Pons*, 434 U.S. 575 (1977) . . . . . 18

*Marquette National Bank of Minneapolis v. First of*
*Omaha Service Corp.*, 439 U.S. 299 (1978) . . . . . 25

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223 (8th Cir. 1993) . . . . . 27



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440 U.S. 125 (1978) . . . . . 25

*Mishawaka Rubber & Woolen Mfg. Co. v. S.S.*
*Kresge Co.*, 119 F.2d 316 (6th Cir. 1941),
*rev'd on other grounds*, 316 U.S. 203 (1942) . . . . . 27

*Mishawaka Rubber & Woolen Mfg. Co.*
*v. S.S. Kresge Co.*, 316 U.S. 203 (1942),
*reh'g denied*, 316 U.S. 712 . . . . . 24

*Mobil Oil Corp. v. Higginbotham*, 436 U.S. 618
(1978), *reh'g denied*, 439 U.S. 884 (1978) . . . . . 14

*National Labor Relations Board v. United*
*Food and Commercial Workers Union*,
484 U.S. 112 (1987) . . . . . 21

*National Railroad Passenger Corporation v.*
*Boston and Maine Corporation*, 112 S. Ct. 1394 . . . 22

*Norfolk and Western Railway Company v.*
*American Train Dispatchers Association*,
499 U.S. 117 (1991) . . . . . 16

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(7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991)
. . . . . 21, 27

*Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*,
469 U.S. 189 (1985) . . . . . 12, 13, 15, 18, 20,
21, 22, 23, 25, 26

*Pauley v. Bethenergy Mines, Inc.*,
501 U.S. 680 (1991) . . . . . 21

*Pierce v. Underwood*, 487 U.S. 552 (1988) . . . . . 18

*Richards v. United States*,
369 U.S. 1 (1962) . . . . . 13

*Rust v. Sullivan*,
500 U.S. 173 (1991) . . . . . 11, 21

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*Two Pesos, Inc. v. Taco Cabana, Inc.*,
112 S. Ct. 2753, *reh'g denied*,
113 S. Ct. 20 (1993) . . . . . 6, 12, 13, 20

**STATUTES**

15 U.S.C. § 1052 (Lanham Act, Sec. 2) . . 2, 11, 13, 20

15 U.S.C. § 1057 (Lanham Act, Sec. 7) . . . . . 4, 20, 21

15 U.S.C. § 1062(a) (Lanham Act, Sec. 12) . . . . . 20

15 U.S.C. § 1063 (Lanham Act, Sec. 13) . . . . . 20

15 U.S.C. § 1065 (Lanham Act, Sec. 15) . . . . 21, 22

15 U.S.C. § 1072 (Lanham Act, Sec. 22) . . . . . 20, 21

15 U.S.C. § 1114 (Lanham Act, Sec. 32(1)) . . 10, 21, 22

15 U.S.C. §§ 1115(2) (Lanham Act, Sec. 33) . . . . . 26

15 U.S.C. § 1116(d)(1) (Lanham Act, Sec. 34) . . 21, 22

15 U.S.C. § 1124 (Lanham Act, Sec. 42) . . . . . 21

15 U.S.C. § 1125(a) (Lanham Act. Sec. 43(a)) . . 10, 20



15 U.S.C. § 1127 (Lanham Act, Sec. 45) . . 5, 11, 12, 16

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The Trademark Act of
1905, 33 Stat. 724 et seq.
(codified as amended in
15 U.S.C.) . . . . . 15

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41 Stat. 534 et seq.
(codified as amended in 15 U.S.C.) . . . . . 15

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Implementation Act, Pub. L.
No. 103-182 (107 Stat.) 2057 . . . . . 17

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74 J. Pat. & Trademark Off. Soc'y 345 (1992) . . . . 23

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82 Trademark Rep. 1041 (1992) . . . . . 9, 10

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on Patents on S. 2679, 68th Cong.,
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100th Cong. Rec. S16546 (daily ed. Nov. 19, 1987) . . . . . 17

**No. 93-1577**

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**IN THE**
**SUPREME COURT OF THE UNITED STATES**
**OCTOBER TERM, 1994**

---

QUALITEX COMPANY,

*Petitioner,*

v.

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

---

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

---

# PETITIONER'S BRIEF ON THE MERITS

---

## OPINIONS BELOW

The opinion of the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") is reported at 13 F.3d 1297 (9th Cir. 1994) and is reprinted in the Joint Appendix ("J.A.") at 22a-35a. The decision of the United States District Court for the Central District of California ("District Court") is reported at 21 U.S.P.Q.2d 1457 (C.D. Cal. 1991) and is reprinted at J.A. 6a-19a.

## JURISDICTION

The Ninth Circuit entered its decision on January 3, 1994. Neither party requested rehearing. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

## STATUTORY PROVISIONS INVOLVED

The statutes involved in this petition are Sections 2, 7(b) and 45 of the Lanham Act, 15 U.S.C. §§ 1052, 1057(b) and 1127, which provide:

**15 U.S.C. § 1052 (Lanham Act, Sec. 2) Trademarks Registrable on Principal Register.**

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it--

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.



(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: *Provided*, That if the Commissioner determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this chapter; (2) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (3) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Use prior to the filing date of any pending application or a registration shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Commissioner when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Commissioner shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods on or in connection with which such mark is registered to the respective persons.

(e) Consists of a mark which, (1) when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them, or (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title, (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them, or (4) is primarily merely a surname.

(f) Except as expressly excluded in paragraphs (a), (b), (c), (d), and (e)(3) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made.

* * *

**15 U.S.C. § 1057 (Lanham Act, Sec. 7) Certificates of Registration.**

**(b) Certificate as Prima Facie Evidence.**

A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or



services specified in the certificate subject to any conditions or limitations stated in the certificate.

* * *

**15 U.S.C. § 1127 (Lanham Act, Sec. 45) Construction and Definitions.**

In the construction of this chapter, unless the contrary is plainly apparent from the context--

. . . .

The term "trademark" includes any word, name, symbol or device, or any combination thereof--

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

## STATEMENT OF THE CASE

***Background***

For over 30 years, Qualitex has promoted and sold its SUN GLOW® commercial dry cleaning press pad using a fabric cover in a unique green-gold color (J.A. 7a).[1] The color is described by the dye manufacturer as "brass no. 6587" (J.A. 7a).

As a result of long, exclusive use by Qualitex, the District Court found that the green-gold color has acquired secondary meaning (J.A. 8a)[2] and is a strong trademark (J.A. 18a). Qualitex has sold more than 1,000,000 press pads bearing the green-gold trademark and has spent more than $1.6 million in advertising and promoting its press pads, with nearly all of its advertising and promotion since 1970 highlighting the green-gold color (J.A. 8a).[3] The green-gold Qualitex press pad is known to

---

[1] *See* color photograph of Plaintiff's Exhibit 80, the Qualitex green-gold press pad (J.A. 4a).

[2] Secondary meaning exists "when a term has acquired distinctiveness in association with particular goods stemming from a single source, such that the term functions as a trademark to identify and distinguish the goods from those of others." *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2757, *reh'g denied*, 113 S. Ct. 20 (1992).

[3] For instance, from at least 1960 to the present time Qualitex advertised its press pad on a monthly basis in *American Drycleaner Magazine*, the leading trade publication (J.A. 8a). Since at least 1970, the color ads featured the green-gold SUN GLOW® press pad. *Id.* No other advertiser ever ran an ad with that color. *Id.* The District Court found that readers associate the color with Qualitex. *Id.* Qualitex also places ads featuring its green-gold press pad in the *Korean Drycleaners Times*, the *Drycleaners News*, the *Bobbin*, and the *Agent* magazines which are distributed regularly to the dry cleaning and garment industries. *Id.* Qualitex has prepared Bulletins which advertise the SUN GLOW® press pad in the green-gold color, distributes flyers at trade shows and uses various brochures and mailers both in English and



be the best in the business (J.A. 7a). On appeal, the Ninth Circuit reviewed the evidence of secondary meaning and termed it "convincing" (J.A. 34a).

Further, the green-gold color is not a functional part of the Qualitex product (J.A. 17a). The green-gold color is not related in any way to the use, quality, or longevity of the Qualitex product (J.A. 17a). Qualitex could have selected any color to apply to its press pad since other colors are equally useable (J.A. 12a) . In fact, adding this color to the fabric is more expensive than using other colors (J.A. 12a). The green-gold color is used solely to identify Qualitex press pads and distinguish them from those of other manufacturers (J.A. 17a).

Press pads made by Qualitex and its competitors are sold to dry cleaning businesses, laundries, and manufacturers for use on clothing presses (J.A. 7a). Many of these customers have come to recognize and rely on the green-gold color as symbolizing the high quality of Qualitex press pads (J.A. 8a). Some of these customers order the product merely by describing its color. *Id.* Many purchasers of dry cleaning supplies do not speak or read English well (J.A. 7a). The District Court found that such purchasers are unlikely to exercise a sufficiently high degree of care to avoid confusion when they are shown a competitor's pad in an identical color (J.A. 15a).

Qualitex applied to the U.S. Patent and Trademark Office for registration of its green-gold

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Korean promoting its green-gold color. *Id.* Qualitex draped its booths at trade shows with green-gold color materials to further associate the color with Qualitex. *Id.*

trademark on December 26, 1989.[4] In its application, Qualitex set forth evidence of its continuous and exclusive use of the green-gold color as a trademark in order to demonstrate that the color had acquired the distinctiveness necessary to function as a trademark. *See* n.4. After examination and publication for opposition, the Patent and Trademark Office issued to Qualitex Registration No. 1,633,711, dated February 5, 1991, for the color green-gold as applied to press pads and covers for press pads for commercial and industrial presses (J.A. 7a).

Jacobson, the defendant in this case, is a direct competitor of Qualitex, supplying products to the dry cleaning and garment industries (J.A. 11a). Jacobson intentionally copied[5] the appearance of the Qualitex SUN GLOW® pad using a color identical to the Qualitex green-gold trademark[6] (J.A. 10a, 15a) and put an inferior

---

[4] A copy of Certificate of Registration No. 1,633,711 was lodged concurrently with the Petition. The particulars of the trademark application from which Registration No. 1,633,711 issued are published at Official Gazette of the United States Patent Office, Aug. 14, 1990, at TM 62.

[5] In 1989, Jacobson decided to manufacture its own press pad in a green-gold color identical to that of Qualitex (J.A. 9a). Jacobson showed a swatch of the Qualitex green-gold fabric to a supplier, and requested that the supplier obtain the same green-gold fabric for Jacobson's press pads. *Id.* Jacobson's supplier obtained "seconds" of the Qualitex green-gold fabric from Qualitex's supplier. *Id.* After exhausting the fabric obtained from Qualitex's supplier and finding that it was unable to obtain more from that source, Jacobson used a list of 200 fabric mills to find a supplier who would analyze and duplicate the dye used to create the green-gold color and supply identically colored fabric to Jacobson (J.A. 10a).

[6] *See* color photograph of Plaintiff's Exhibit 18, Jacobson's green-gold press pad (J.A. 5a).



pad into the marketplace bearing the copied mark (J.A. 112).[7]

Until Jacobson copied Qualitex's green-gold color in 1989, Qualitex was the only company in the dry cleaning supply industry to manufacture and sell press pads bearing its unique green-gold color (J.A. 9a). For decades, other dry cleaning suppliers have manufactured press pad covers and dry cleaning supplies using colors other than Qualitex's green-gold to distinguish their products (J.A. 8a). These colors have included lime green, grey, dark green, light blue, orange, peach, blue/grey and other colors. *Id.* Thus, colors were used in the dry cleaning industry without confusion until Jacobson copied the color of the Qualitex pad.

At trial, Qualitex presented evidence from a survey in which people in the dry cleaning industry were shown the Jacobson press pad and asked what company made the pad (J.A. 12a).[8] Thirty-nine percent identified the Jacobson pad as being made by Qualitex, while not a single respondent answered that it was a Jacobson pad. *Id.* When

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[7] The District Court found that the components of the Jacobson pad are inferior to the Qualitex pad (J.A. 11a). Among other things: Qualitex cover cloth is constructed of 210 denier industrial yarn which is stronger and lasts longer than the 200 denier wearing apparel yarn used by Jacobson; Qualitex uses a 55 lb. rubber which is a heavier weight than the 33 lb. rubber used by Jacobson in its press pad; Qualitex uses a long strand fiberglass which has an ability to dissipate heat quicker without deterioration as compared to the short-strand fiberglass used by Jacobson; Qualitex uses a heavier weight white bottom cloth on its press pad which will last longer than the lighter weight bottom cloth used by Jacobson (J.A. 11a). Not surprisingly, the Jacobson pad will not last as long as the Qualitex pad. *Id.*

[8] In a review of surveys introduced in trademark cases during 1991, the Qualitex survey was described as "perhaps the soundest survey" of the year. Anthony L. Fletcher & David J. Kera, *The Forty-Fifth Year of Administration of the Lanham Trademark Act of 1946*, 82 Trademark Rep. 1041, 1196 (1992).

asked what made them think that Qualitex made the Jacobson pad, many replied, "the color." *Id.*

***Proceedings Below***

Qualitex sued Jacobson for unfair competition and trade dress infringement in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), as well as ancillary state claims. After issuance of its registration, Qualitex supplemented the complaint to add a count for infringement of its registered trademark in violation of Section 32(1) of the Lanham Act, 15 U.S.C. § 1114 (J.A. 1a). Jacobson filed a counterclaim for cancellation of Qualitex's registered trademark. *Id.* After a trial, the District Court held that Jacobson had infringed Qualitex's registered trademark and that Jacobson had failed to prove that the trademark was invalid (J.A. 14a). Jacobson was also found to be liable for trade dress infringement and unfair competition in violation of Section 43(a) (J.A. 16a). Jacobson was permanently enjoined from copying the green-gold press pad and damages were awarded to Qualitex (J.A. 18a).

On Appeal, the Ninth Circuit reviewed *de novo* the decision of the District Court (J.A. 26a) and held that the registration issued by the Patent and Trademark Office should be cancelled (J.A. 35a). The Ninth Circuit acknowledged that registration of mere color is not explicitly barred by the Lanham Act (J.A. 26a), but nonetheless concluded the "better rule" is that a trademark should not be registered for color alone (J.A. 28a). For this reason, the Ninth Circuit reversed the District Court's judgment on Jacobson's counterclaim for cancellation of Qualitex's trademark registration and on infringement of Qualitex's registered trademark (J.A. 35a). The District Court's decision regarding Jacobson's violation of Section 43(a) and the damage award was affirmed. *Id.*



## SUMMARY OF THE ARGUMENT

The express language of the Lanham Act permits registration of color as a trademark. The definition of trademark includes "any word, name, symbol, or device" used to identify and distinguish one company's goods from those of others and to indicate the source of the goods. 15 U.S.C. § 1127. None of the statutory exceptions to registration prohibit registration of color where it functions as a trademark. *See* 15 U.S.C. § 1052.

The legislative history of the Lanham Act supports registration of color trademarks. Congress deliberately chose to broadly define the term "trademark." In 1988, when considering whether that definition should be changed, Congress retained the broad language of that definition to continue the existing practice of registering color marks.

The Patent and Trademark Office construes the Lanham Act to permit registration of colors in appropriate circumstances and issued a registration to Qualitex for its green-gold mark.[9] Construction of a statute by an agency charged with administration of the statute may not be disturbed as an abuse of discretion it if reflects a plausible construction of the plain language of the statute and does not conflict with Congress' expressed intent. *Rust v. Sullivan,* 500 U.S. 173, 184 (1991).

Registration of color trademarks serves the purposes of the Lanham Act by recognizing and protecting indicia of source on which consumers rely. Enforcement of such trademarks poses no more difficult problems than any other kind of trademark and serves the policies underlying the Lanham Act.

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[9] *See* n.4, *supra.*

## ARGUMENT

### I. THE LANHAM ACT DOES NOT PROHIBIT REGISTRATION OF COLOR TRADEMARKS

#### A. THE EXPRESS LANGUAGE OF THE LANHAM ACT PERMITS REGISTRATION OF COLOR AS A TRADEMARK

The Lanham Act defines "trademark" to include "any word, name, symbol, or device . . . used by a person . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." 15 U.S.C. § 1127. Color is plainly encompassed by this definition where it identifies and distinguishes a product and indicates source.

If a mark is capable of being or becoming distinctive of applicant's goods in commerce, then it is capable of serving as a trademark. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S.Ct. 2753, 2757 (1992); *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S 315, 329-36 (1938), *reh'g denied*, 305 U.S. 675 (1939); *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1120 (Fed. Cir. 1985). Congress broadly defined trademark "in order that registrations of marks used in a trademark sense shall be encouraged." Registration of Trademarks, Hearings Before the Joint Committees on Patents on S. 2679, 68th Cong., 2d Sess., 95-97 (1925). Sound public policy requires that trademarks should receive nationally the greatest protection that can be given them. *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S., 189, 193 (1985) (quoting S. Rep. No. 1333, 79th Cong. 2d Sess., 5 (1946)).

Consistent with this principle, Section 2 of the Lanham Act provides that, "[N]o trademark by which the



goods of the applicant may be distinguished from the goods of others shall be refused registration" unless the mark falls within certain statutory exceptions.[10] 15 U.S.C. § 1052. None of the exceptions prohibit registration of color where it functions as a trademark.

Statutory construction must begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose. *Park 'N Fly*, 469 U.S. at 194 (citing *American Tobacco Co. v. Patterson*, 456 U.S. 63, 68 (1981)); *Richards v. United States*, 369 U.S. 1, 9 (1962). *See also Two Pesos*, 112 S.Ct. at 2760. Color clearly can be a symbol or device used to identify and distinguish one party's goods from another's and to indicate source. By the plain language of the Lanham Act, color should be registrable as a trademark when it serves those purposes.

Since Qualitex's green-gold color functions as a trademark, it was properly registered. Both the Patent and Trademark Office (J.A. 7a) and the District Court (J.A. 8a) found that the green-gold color identifies and distinguishes Qualitex's press pads from those of its competitors.

The Ninth Circuit found no error in the conclusions of the Patent and Trademark Office and the District Court that the green-gold color in fact functions as a trademark (J.A. 32a-35a). Further, the Ninth Circuit acknowledged that the language of the Lanham Act does not explicitly bar registration of color (J.A. 26a). Nonetheless, the Ninth Circuit believed "the better rule is that a

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[10] The exceptions are (a) scandalous or immoral matter, (b) national symbols such as the U.S. flag, (c) the name or portrait of a living person without consent, (d) marks which are confusingly similar to previously registered marks, and (e) marks which are merely descriptive, geographically descriptive, or deceptively misdescriptive. *See* 15 U.S.C. § 1052(a)-(c). None of these exceptions apply here.

trademark should not be registered for color alone" (J.A. 28a). This rule has no statutory basis or support.

A court may not substitute its opinion of what the law should be for the unambiguous language of a statute.[11] *Freytag v. Commissioner of Internal Revenue*, 501 U.S. 868, 873 (1991); *Mobil Oil Corp. v. Higginbotham*, 436 U.S. 618, 625-626, *reh'g denied*, 439 U.S. 884 (1978); *Kleppe v. New Mexico*, 426 U.S. 529, 541 n. 10, *reh'g denied*, 429 U.S. 873 (1976). As this Court long ago stated:

> It is elementary that the meaning of a statute must, in the first instance, be sought in the language in which the [A]ct is framed, and if that is plain, and if the law is within the constitutional authority of the law-making body which passed it, the sole function of the courts is to enforce it according to its terms.

*Caminetti v. United States*, 242 U.S. 470, 485 (1917). The Ninth Circuit's decision, in clear conflict with the plain language of the Lanham Act, is erroneous.

## B. THE LEGISLATIVE HISTORY OF THE LANHAM ACT DEMONSTRATES THAT CONGRESS INTENDED REGISTRATION OF COLOR TRADEMARKS

Congress adopted the Lanham Act and predecessor federal trademark acts to provide national

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[11] The Ninth Circuit indicated that it was concerned with "shade confusion" because it "could present unnecessary problems" (J.A. 28a). However, there is no statutory basis for denying registration of a trademark for this reason. The difficulty of distinguishing between color marks is not necessarily any different than that presented by other types of trademarks. *In re Owens-Corning*, 774 F.2d at 1123. *See* p. 26-27, *infra*.



protection for trademarks used in commerce. *Park 'N Fly*, 469 U.S. at 193. Prior to the Lanham Act, the legislative history of U.S. statutory trademark law demonstrates a consistent congressional policy of broadly defining trademark rights to protect both consumers and trademark owners. In the Trade-Mark Act of 1920,[12] Congress amended the 1905 Act[13] with the obvious purpose of widening what is eligible to serve and be registered as a trademark. *Armstrong Paint & Varnish Works v. Nu-Enamel Corporation*, 305 U.S. 315, 330 (1938), *reh'g denied*, 305 U.S. 675 (1939). For example, these amendments permitted descriptive terms which had acquired secondary meaning to be registered and protected. *Id.* In *Armstrong*, this Court held that the district court erred in failing to enforce such a mark because the decision was not supported by the plain language of the 1920 Act and the construction of that Act by the Patent Office. *Id.*

The Lanham Act was enacted in 1946 to further modernize trademark law. *Park 'N Fly*, 469 U.S. at 193. The broad definition of "trademark" found in the 1946 Lanham Act is consistent with Congress' view that national protection of indicia which function as trademarks is desirable "in order to secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing products." *Id.* at 198. Indeed, Congress considered and rejected a definition of "trademark" narrower than that of prior Acts, which would have precluded registration of descriptive terms that had acquired secondary meaning. *Id.* at 197 (citing H.R. Conf. Rep. No. 2322, 79th Cong., 2d Sess., 4 (1946)). Instead, Congress determined to permit registration of *any*

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[12] The Trademark Act of 1920, 41 Stat. 534 *et. seq.* (codified as amended in 15 U.S.C.).

[13] The Trademark Act of 1905, 33 Stat. 724 *et. seq.* (codified as amended at 15 U.S.C. 1124).

indicia which function as trademarks, including, but not limited to, words, names, symbols, or devices. 15 U.S.C. § 1127 (emphasis added).

If the intent of Congress is clear, that is the end of the matter; for a court as well as an agency must give effect to the unambiguously expressed intent of Congress. *Chevron, U.S.A., Inc. v. National Resources Defense Counsel, Inc.*, 467 U.S. 837, 842-43, *reh'g denied*, 468 U.S. 1227 (1984). *See also Norfolk and Western Railway Company v. American Train Dispatchers Association*, 499 U.S. 117, 128 (1991); *Sullivan v. Everhart*, 494 U.S. 81, 89 (1990).

The legislative history of the Trademark Law Revision Act of 1988 ("TLRA"), a law further modernizing the Lanham Act, reinforces Congress' intention to permit registration of marks such as color. Three years prior to enactment of the TLRA, the Court of Appeals for the Federal Circuit recognized that color could be registered as a trademark in appropriate circumstances. *In re Owens-Corning Fiberglas Corporation*, 774 F.2d 1116 (Fed. Cir. 1985). Indeed, by the time the TLRA was enacted, the Patent and Trademark Office had registered a number of color trademarks.[14] In addition to this background, Congress

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[14] *See, e.g.*, Reg. No. 156,609, dated July 11, 1922, for red as applied to U-bolts for rope clamps; Reg. No. 310,765, dated July 5, 1966, for the color gold as applied to safety hook latches; Reg. No. 1,271,312, dated March 20, 1984, for the color silver or gray as applied to plastic jugs for commercial use; Reg. No. 1,438,035, dated April 28, 1987, for green as applied to pipe insulation; Reg. No. 1,438,029, dated April 28, 1987, for blue as applied to plastic tubing used to contain electrical conductors and electrical systems; Reg. No. 1,435,400, dated April 7, 1987, for yellow as applied to ear plugs; Reg. No. 1,439,132, dated May 12, 1987, for pink as applied to fibrous glass residential insulation; Reg. No. 1,432,069, dated March 10, 1987, for the color yellow as applied to water slide toys; Reg. No. 1,447,706, dated July 14, 1987, for the color orange as applied to inserts for finger holes in bowling balls.



had the benefit of an exhaustive study by the United States Trademark Association[15] examining the effectiveness of U.S. trademark systems.[16] *The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 Trademark Rep. 375 (1987). The USTA Commission determined that the subject matter which has historically qualified as a trademark should not be limited in any way and that the definition of "trademark" should not preclude registration of "such things as a color, shape, smell, sound, or configuration." *Id.* at 421.

The issue of color registration raised by the Commission Report, the *Owens-Corning* case, and current Patent and Trademark Office practice was clearly before Congress when it considered the TLRA. Congress amended the Act's definition of "trademark" in light of other TLRA provisions, but "intentionally retained . . . the words 'symbol or device' *so as not to preclude registration of colors*, shapes, sounds or configurations where they function as trademarks."[17] S. Rep. No. 515, 100th Cong., 2d Sess.,

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[15] Now the International Trademark Association.

[16] 100th Cong. Rec. S16546 (daily ed. Nov. 19, 1987)(statement of Sen. DeConcini)("I am pleased to have the benefit of the Commission's study, which is the most comprehensive review of the trademark system that I am aware of in the last half century.")

[17] This intention has been more recently confirmed by Congress' approval of the Intellectual Property provisions of the North American Free Trade Agreement, which provides that:

> For purposes of this Agreement, a trademark consists of any sign, or combination of signs, capable of distinguishing the goods or services of one person from those of another, including personal names, designs, letters, numerals, *colors*, figurative elements, or the shape of goods or their packaging. . . .

44 (1989), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607 (emphasis added).[18] Thus Congress tacitly approved both the holding of *Owens-Corning* and the existing practice of registering color trademarks.

Where Congress has the opportunity to amend a statute to change judicial interpretation and does not do so, a strong inference arises that the judicial interpretation is in accord with congressional intent. *Lorillard, A Division of Loew's Theatres, Inc. v. Pons*, 434 U.S. 575, 580 (1977); *Albemarle Paper Co. v. Moody*, 422 U.S. 405, 414 (1974). *See also Keene Corporation v. United States*, 113 S.Ct. 2035, 2043 (1993); *Pierce v. Underwood*, 487 U.S. 552, 567 (1988).

Even without an explicit statement of congressional intent, the case for registration of color trademarks is strong, based upon the plain language of the Lanham Act. Here, however, this Court has the benefit of the expressed intention of Congress that colors are to be included among the indicia which may be registered as trademarks under the Lanham Act. The Ninth Circuit's decision is contrary not only to the plain language of the statute, but also to the clearly expressed intention of Congress.[19]

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North American Free Trade Agreement, Dec. 17, 1992, Art. 1708(1) 32 I.L.M. 605, 670 (1993) implemented by the North American Free Trade Implementation Act, Pub. L. No. 103-182, 1993 U.S.C.C.A.N. (107 Stat.) 2057 (emphasis added).

[18] This directly reflects the recommendations made by the Trademark Review Commission of the United States Trademark Association. 77 Trademark Rep. at 421.

[19] As in *Park 'N Fly*, the Ninth Circuit did not attempt to justify its decision by reference to the language or legislative history of the Lanham Act. 469 U.S. at 203. This Court is again presented with a decision in which the Ninth Circuit has ignored a similar harmony of statutory language and congressional intent in the trademark arena.



## C. THE PATENT AND TRADEMARK OFFICE HAS CONSTRUED THE LANHAM ACT TO PERMIT THE REGISTRATION OF COLOR TRADEMARKS

Following the language of the Lanham Act and congressional policy, the Patent and Trademark Office has registered color trademarks when the statutory criteria are met[20] and refused registration when they are not.[21] The usual safeguards prohibiting registration of indicia which do not function as trademarks apply. A color must avoid falling into one of the exceptions to registration set forth in Section 2 of the Lanham Act,[22] must have acquired secondary meaning,[23] and must not be a functional feature of the product.[24]

The Patent and Trademark Office requires the applicant to submit substantial evidence that the proposed color mark qualifies:

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[20] *See* n.14, *supra*.

[21] *See, e.g., British Seagull Ltd. v. Brunswick Corp.*, 28 U.S.P.Q. 1197 (T.T.A.B. 1993) (Refusing to register black for outboard marine engines where the color was functional and lacked secondary meaning), *aff'd*, 32 U.S.P.Q. 1120 (T.T.A.B. 1994); *In re Shaw*, 184 U.S.P.Q. 253 (T.T.A.B. 1975) (Refusing to register green for book covers because it was not distinctive); *In re Pollak Steel Co.*, 131 U.S.P.Q. 482 (T.T.A.B. 1961), *aff'd*, 314 F.2d 566 (C.C.P.A. 1963) (Refusing to register silver reflective coating for fence posts because the coating was functional).

[22] *See* n.10, *supra*.

[23] *See* n.2, *supra*.

[24] "[A] product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." *Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844, 850 n.10 (1982) (citations omitted).

> The burden of proof in such a case is substantial. . . [W]here the applicant seeks registration for overall color, registration is refused irrespective of any showing of acquired distinctiveness if there is a competitive need for colors to remain available in the industry. . . If the proposed mark identifies a color which is functional, it is not registrable . . .

*Trademark Manual of Examining Procedure*, § 1202.04(e) (2d Ed. 1993).

Qualitex met this substantial burden by clearly establishing that its color had become distinctive of its goods in commerce (J.A. 8a); that there was no competitive need for the color to remain available in the press pad industry (J.A. 12a); and that the color was not a functional feature of its press pads (J.A. 17a). Having determined that the green-gold color functions as a trademark for Qualitex's press pads, the Patent and Trademark Office registered the mark. (J.A. 72)[25] The registration is *prima facie* evidence of the validity the mark.[26] 15 U.S.C. § 1057.

The findings of the Patent and Trademark Office were subjected to a full trial before the District Court. The court concurred that the green-gold color had acquired secondary meaning (J.A. 16a), was non-functional (J.A. 17a), and that there is no competitive need in the industry

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25 *See* n.4, *supra*.

26 By statute, the registration process requires that the mark be published, 15 U.S.C. § 1062(a), permits others to oppose registration of the mark, 15 U.S.C. § 1063, and provides notice of the claim of ownership, 15 U.S.C. § 1072. *See Park 'N Fly*, 469 U.S. at 202. Protecting color trademarks only under Section 43(a), as suggested by the Ninth Circuit, would not permit operation of these important safeguards.



for Qualitex's green-gold color (J.A. 12a).[27] Despite finding no error in the factual findings of the Patent and Trademark Office and District Court, the Ninth Circuit determined that the registration of Qualitex's green-gold mark should be cancelled (J.A. 35a). No other court has ever cancelled a trademark registration merely because the mark consists of a color.[28]

Construction by an agency charged with administration of a statute "may not be disturbed as an abuse of discretion if it reflects a plausible construction of the plain language of the statute and does not otherwise conflict with Congress' expressed intent." *Rust v. Sullivan*, 500 U.S. 173, 184 (1991). *See National Railroad Passenger Corporation v. Boston and Maine Corporation*, 112 S. Ct. 1394, 1401 (1992); *Pauley v. Bethenergy Mines, Inc.*, 501

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27 The Ninth Circuit found, *inter alia*, that "it was not error for the district court to conclude that 'there is no competitive need for the green-gold color . . .'" (J.A. 32a).

28 Courts denying trademark protection for color have only considered common law trademark claims. *See, e.g., NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991); *Campbell Soup Company v. Armour & Co.*, 175 F.2d 795 (3d Cir.), *cert. denied*, 338 U.S. 847 (1949). None have addressed the present issue. The Ninth Circuit's claim that § 43(a) provides adequate protection is faulty. Without registration, a trademark owner loses: (1) *prima facie* evidence of the validity of the mark, of ownership of the mark, and of the registrant's exclusive right to use the mark in commerce, 15 U.S.C. § 1057(b); (2) constructive notice throughout the United States of the owner's claim to ownership, 15 U.S.C. § 1072, *Park 'N Fly*, 469 U.S. at 202; (3) the opportunity to prevent the importation of counterfeit goods by recording a registered mark with the Department of the Treasury, 15 U.S.C. § 1124, *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988); (4) the operation of Section 15 of the Lanham Act which renders a registration incontestable after five years of continuous use, 15 U.S.C. § 1065, *Park'n Fly*, 469 U.S. at 205; and (5) the option to take action pursuant to Section 34(d)(1) of the Lanham Act regarding use of counterfeit marks, 15 U.S.C. § 1116(d)(1). Further, there is no basis for suggesting that protection under Section 43(a) precludes protection under Section 32, 15 U.S.C. § 1114.

U.S. 680, 684 (1991); *National Labor Relations Board v. United Food and Commercial Workers Union*, 484 U.S. 112, 123, 133-34 (1987); *Chevron, U.S.A.*, 467 U.S. at 843. The determination of the Patent and Trademark Office to register a mark has long been subject to such deference. *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 316, 331 (1938), *reh'g denied*, 305 U.S. 675 (1939). *Cf. Park 'N Fly*, 469 U.S. 189. Courts are thus required to defer to such construction by an agency.

The Ninth Circuit failed entirely to demonstrate that the Patent and Trademark Office decision to register the green-gold mark does not reflect a plausible construction of the Lanham Act or that the decision conflicts with congressional intent. Rather, the Ninth Circuit tacitly acknowledged that permitting registration of color is a plausible construction of the Lanham Act since "registration of mere color is not explicitly barred by the Lanham Act . . ." (J.A. 26a). Nonetheless, the Ninth Circuit determined to review *de novo* the question of whether Qualitex's green-gold color qualifies for registration under the Act without any deference whatsoever to the determination of the Patent and Trademark Office in registering the mark. *Id.*

By cancelling the Qualitex registration simply because the mark consists of a color, the Ninth Circuit impermissably ignored the controlling language of the Lanham Act, its legislative history, the congressional policy of uniform national trademark protection, and the Patent and Trademark Office's decision to register the mark.

## II. THE REGISTRATION OF COLOR TRADEMARKS SERVES THE UNDERLYING POLICIES OF THE LANHAM ACT

When color distinguishes competing goods or services and otherwise functions as a trademark, the interests of consistency and predictability are promoted by



federal trademark registration. *See The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 Trademark Rep. 375, 421 (1987).

As a policy matter, color alone should be eligible for federal trademark protection. *See* Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 568 (1993); Brian Richard Henry, *Right Hat, Wrong Peg: In re Owens Corning-Fiberglas Corporation and the Demise of the Mere Color Rule*, 76 Trademark Rep. 389 (1986); Anthony V. Lupo, *The Pink Panther Sings the Blues: Is Color Capable of Trademark Protection?*, 21 Mem. St. U. L. Rev. 637 (1992); Andrew W. Coleman, *Color as Trademarks: Breaking Down the Barriers of the Mere Color Rule*, 74 J. Pat. & Trademark Off. Soc'y 345 (1992); Lawrence B. Ebert, *Trademark Protection in Color: Do It by the Numbers*! 84 Trademark Rep. 379 (1994).

Failure to protect indicia on which consumers rely to obtain the product they desire will result in confusion as counterfeit products freely enter the market.[29] Congress intended to avoid this result. *See Park 'N Fly*, 189 U.S. at 198. Recognizing and protecting ornamentation and other devices which identify product source as trademarks aids

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[29] *See Inwood Labs, Inc. v. Ives Labs, Inc.*, 456 U.S. 844, 854 n.14 (1982) (A trademark infringer "deprives" consumers of their ability to distinguish among the goods of competing manufacturers).

competition and protects consumers.[30] As Justice Frankfurter summarized:

> The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of the mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same -- to convey through the mark, in the minds of customers, the desirability of the commodity upon which it appears. Once this is attained, the owner has something of value.

*Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205, *reh'g denied*, 316 U.S. 712 (1942). As the facts of this case show, Qualitex uses its color trademark to draw purchasers to select its quality product. Qualitex has made a significant, successful effort to imbue the marketplace for dry cleaning supplies with the drawing power of this trademark. As the District Court concluded, "[t]he duration of its exclusive use of the green-gold color on its press pad, the significant amount of sales for over 30 years, and the 'image advertising' of the pad by Qualitex,

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30 The Senate Committee on Patents stated in the Report to Congress on the Lanham Act that one purpose underlying any trademark statute "is to protect the public so it may be confident that in purchasing a product bearing a particular trademark which it favorably knows, it will get the product which it asks for and wants to get" S. Rep. No. 1333, 79th Cong. 2d Sess. 1 (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274.



including consumers' awareness of that advertising as stated above, all demonstrate that the Qualitex press pad has acquired secondary meaning" (J.A. 16a).

The only arguments advanced by the Ninth Circuit against treating color like any other device which can function as a trademark are based solely on its view of the better policy. Such arguments are properly addressed to the Congress, not to the courts. *Marquette National Bank of Minneapolis v. First of Omaha Service Corp.*, 439 U.S. 299, 319 (1978); *Miller v. Youakim*, 440 U.S. 125, 142 n. 21 (1978). The court's responsibility "is not to evaluate the wisdom of the legislative determinations reflected in the statute, but instead to construe and apply the provisions that Congress enacted." *Park 'N Fly*, 469 U.S. at 203.

There is no policy basis for a *per se* rule against the registration of color where it functions as a trademark. There is no realistic danger that, as some have claimed, color would be "depleted."[31] As the District Court found, "[T]here are hundreds or thousands of distinctive shades of greens, yellows, blues and browns or tans available to the competitors without danger that recognizing Qualitex's green-gold trademark would hinder competition" (J.A.

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31 The Ninth Circuit recognized that there are countless shades of colors that could not be depleted (J.A. at 372). The Ninth Circuit thus eschewed the color depletion argument articulated by the Third Circuit in *Campbell Soup Company v. Armour & Co.*, 175 F.2d 795, 798 (3d Cir.), *cert. denied*, 338 U.S. 847 (1949) ("If [one manufacturer] may thus monopolize red in all its shades the next manufacturer may monopolize orange in all its shades and the next yellow in the same way. Obviously, the list of colors will soon run out."). *See Diamond Match Co. v. Saginaw Match Co.*, 142 F. 727 (6th Cir.), *cert. denied*, 203 U.S. 589 (1906). However, the *Campbell Soup* case did not address the question of color registration under the Lanham Act. Rather, the case dealt with an over-reaching plaintiff's attempt to broadly enforce a claimed common law right in a primary color. At best, this is an argument against an overly broad infringement claim, not a basis for a *per se* rule barring a color registration.

14a). *See also* Louis Cheskin, *Colors: What They Can Do For You* 46-47 (Liveright 1947). The District Court further found that there was no competitive need on the part of press pad manufacturers for the green-gold color since other colors are equally usable (J.A. 12a). In fact, "for decades, other [press pad] manufacturers have used the colors lime green, gray, dark green, light blue, orange, peach, blue/gray and other colors on their press pads" (J.A. 8a).[32]

Further, by permitting registration of color trademarks where appropriate, the procedures of the Patent and Trademark Office can and do appropriately safeguard against the appropriation of color when it does not function as a trademark or when there is a competitive need for a particular color to remain available.[33] The application and registration process provides for public notice of such claims and an opportunity to challenge applications. *Park 'N Fly*, 469 U.S. at 202. This promotes consistency and predictability in the marketplace.

Nor is the Ninth Circuit's concern that "[d]rawing distinctions between close shades of color could present unnecessary problems" a reason for cancelling Qualitex's registration (J.A. 28a). 13 F.3d at 1302. Determining whether two shades of color are so similar as to be likely to confuse consumers should prove no more difficult than determining whether two examples of any other type of protectable mark are likely to cause confusion. *Owens-Corning*, 774 F.2d at 1123. When the only difference between marks is the color involved, courts and the Patent and Trademark Office have little difficulty

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[32] *See* n.27, *supra*.

[33] Of course, if any registration threatens economic competition, §§ 33(a) and (b)(7), 15 U.S.C. §§ 1115(2) and (b)(7), provide a defense on the grounds that the mark is being used to violate federal antitrust laws. *See Park 'N Fly*, 469 U.S. at 201-802.



distinguishing colors. *See, e.g., In re Hodes-Lange Corporation*, 167 U.S.P.Q. 255 (T.T.A.B. 1970) (finding confusion unlikely between a gold band and a yellow band); *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 119 F.2d 316 (6th Cir. 1941), *rev'd on other grounds*, 316 U.S. 203, *reh. denied*, 316 U.S. 712 (1942) (finding no likelihood of confusion between a red ball design and a ball design of a different color). The supposed problem of distinguishing between colors is mere judicial conjecture.[34] Here the District Court expressed no problem in determining that Jacobson had, at great pains, infringed Qualitex's unique green-gold color (J.A. 9a-10a).

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[34] Courts and commentators that have expressed concern over shade confusion have been unable to cite any instances where the trier of fact was incapable of discerning different colors. *See NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991); J. Thomas McCarthy, *Trademarks and Unfair Competition*, § 7.16[2] (3d ed. 1993). The dissent in *Owens-Corning* cited only one discussion of "shade confusion" by a trial court: *Deere & Co. v. Farmhand, Inc.*, 560 F.Supp. 85 (S.D. Iowa 1982), *aff'd*, 721 F.2d 253 (8th Cir. 1983). However, the *Deere* court did not itself encounter any shade comparison difficulty, but simply speculated that it might cause a problem. *Id.* at 97, n.20. The 8th Circuit, which affirmed the *Deere* court's decision on the issue of functionality, expressed no concern with "shade confusion" in the later case, *Master Distributors v. Pako Corp.*:

> Although protecting particular shades of color may result in some shade confusion problems, we agree that "'deciding likelihood of confusion among color shades . . . is no more difficult or subtle than deciding likelihood of confusion where word marks are involved.'" . . . Triers of fact must often answer close and difficult questions, and the traditional likelihood of confusion standard should be applied to distinguish similar colors as it is when similar slogans, symbols, numbers, or words are compared.

986 F.2d 219, 223 (8th Cir. 1993) (citation omitted) (quoting *Owens-Corning*, 774 F.2d at 1123). Since courts often answer close and difficult questions, they can address color trademark questions without a *per se* rule against registration.

The Ninth Circuit erred in attempting to set its own policy for trademark law. As demonstrated above, sound trademark policy supports the registration of color as trademarks. A trademark "is a distinguishable token devised or picked out with the intent to appropriate it to a particular class of goods and with the hope that it will come to symbolize good will." *Beech-Nut Packaging Co. v. P. Lorrilard Co.*, 273 U.S. 629, 632 (1927) (Holmes, J.). Permitting registration of color trademarks furthers and does not frustrate the sound policy underlying the Lanham Trademark Act.

## CONCLUSION

As shown above, the Lanham Act does not prohibit the registration of color as a trademark. The express language of the Lanham Act permits registration of color as a trademark, where appropriate. The legislative history of the Lanham Act and statutory trademark law in the United States show that Congress considered this question and decided that registration of color is appropriate. The Patent and Trademark Office has registered Qualitex's green-gold trademark and this registration should not be disturbed since it reflects a proper construction of the plain language of the statute and does not conflict with Congress' expressed intent. Registration of Qualitex's color trademark in fact serves the underlying policies of the Lanham Act.



For the above reasons, this Court should reverse the mandate of the Ninth Circuit which ordered cancellation of Qualitex's federal registration.

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No. 93-1577

In The

# Supreme Court of the United States

October Term, 1994

QUALITEX COMPANY,

*Petitioner,*

v.

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

**On Writ Of Certiorari**
**To The United States Court Of Appeals**
**For The Ninth Circuit**

## BRIEF FOR RESPONDENT

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## QUESTION PRESENTED

1. Whether the Lanham Act prohibits the registration of color as a trademark.

TABLE OF CONTENTS

Page

STATEMENT ..... 1

(A) Statement of Facts Relevant to Issues ..... 2

SUMMARY OF ARGUMENT ..... 4

ARGUMENT ..... 6

I. THE LANHAM ACT SHOULD NOT BE CONSTRUED TO PERMIT REGISTRATION OF COLOR PER SE ..... 6

A. Decades Of Jurisprudence Have Established That Mere Product Color Is Not Entitled To Trademark Recognition ..... 6

B. The Lanham Act Already Protects Color When Color Functions As A Trademark As An Element Of Design, Symbol Or Device Intended To Be Source-Identifying ..... 9

C. Color Per Se Does Not Represent A "Trademark" Use Of Color And Should Be Denied Registration Under The Lanham Act ..... 11

D. Because Trade Dress Is Already Protectable Under Section 43(a) Of The Lanham Act, There Is No Need For An Unwarranted Extension Of Registration Rights To Mere Product Color ..... 13

E. The Owens-Corning Decision Is Distinguishable From The Case At Bar And Its Holding Should Be Limited To The Facts Of That Case ..... 14



TABLE OF CONTENTS – Continued

Page

II. EXTENSION OF REGISTRATION RIGHTS UNDER THE LANHAM ACT TO MERE COLOR WOULD BE INHERENTLY ANTICOMPETITIVE ..... 16

III. COLOR DEPLETION AND SHADE CONFUSION ARE NOT TRIVIAL OR UNIMPORTANT CONCERNS IN DETERMINING WHETHER TO GRANT REGISTRATION RIGHTS FOR MERE PRODUCT COLOR ..... 21

IV. BECAUSE THERE IS A COMPETITIVE NEED FOR COLOR IN THE PRESS PAD INDUSTRY, THE USE OF COLOR FOR PRESS PADS MUST BE VIEWED AS FUNCTIONAL AND NOT CAPABLE OF REGISTRATION ..... 23

V. CONCLUSION ..... 25

## TABLE OF AUTHORITIES

Page

A. CASES

*Coca-Cola Co. vs. Koke Co.*, 254 U.S. 143, 41 S. Ct. 113, 65 L.Ed. 189 (1920) ..... 7, 17

*Campbell Soup Co. vs. Armour & Co.*, 175 F.2d 795 (3d Cir. 1949) ..... 8, 9, 14, 21

*Dallas Cowboy Cheerleaders, Inc. vs. Pussycat Cinema, Ltd.*, 467 F. Supp. 366 (S.D.N.Y. 1978) ..... 8

*First Brands Corporation vs. Fred Meyer Inc.*, 809 F.2d 1373 (9th Cir. 1987) ..... 9, 14

*Gillette Safety Razor Co. vs. Triangle Mechanical Laboratories Corp.*, 87 F.2d 699 (E.D.N.Y. 1933) ..... 7

*In re Canada Dry Ginger Ale*, 86 F.2d 830 (CCPA 1936) ..... 7

*In re Data Packaging Corp.*, 453 F.2d 1300 (CCPA 1972) ..... 9

*In re Hehr Manufacturing Co.*, 279 F.2d 526 (CCPA 1960) ..... 9

*In re L.E. Waterman Co.*, 34 App. D.C. 185 (1909) ..... 7

*In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (1st Cir. 1987) ..... *passim*

*In re Swift & Co.*, 81 U.S.P.Q. 430 (CCPA 1955) ..... 8

*In re Todd Co.*, 290 F.2d 597, 129 U.S.P.Q. 408 (CCPA 1961) ..... 9

*Inwood Laboratories, Inc. vs. Ives Laboratories, Inc.*, 456 U.S. 844, 102 S. Ct. 2182, 72 L.Ed.2d 606 (1982) ..... 23

*James Burroughs, Ltd. vs. Sign of Beefeater, Inc.*, 540 F.2d 266 (7th Cir. 1976) ..... 17

*Leschen & Sons Rope Co. vs. Broderick*, 201 U.S. 166, 26 S. Ct. 425, 50 L.Ed. 710 (1906) ..... 9



## TABLE OF AUTHORITIES – Continued

Page

*Life Savers Corp. vs. Curtiss Candy Co.*, 182 F.2d 4 (1950) ..... 9

*Mershon Co. vs. Pachmayr*, 220 F.2d 879 (9th Cir. 1955) ..... 9

*North Shore Laboratories Corp. vs. Cohen*, 721 F.2d 514 (5th Cir. 1983) ..... 8, 17

*Norwich Pharmacal Co. vs. Sterling Drugs, Inc.*, 271 F.2d 569 (2d Cir. 1959) ..... 8

*Nutrasweet Company vs. The Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990) ..... 19, 24

*Pope Automatic Machinery Co. vs. McCrum-Howell Co.*, 191 F.2d 979 (7th Cir. 1911) ..... 23

*Plastilite Corp. vs. Kassnar Imports*, 508 F.2d 824 (CCPA 1975) ..... 8

*Quabang Rubber Co. vs. Fabiano Shoe Co.*, 567 F.2d 154 (1st Cir. 1977) ..... 9

*Qualitex Co. vs. Jacobson Products Co., Inc.*, 13 F.3d 1297 (9th Cir. 1993) ..... 13

*Radio Corporation of America vs. Decca Records*, 51 F. Supp. 493 (S.D.N.Y. 1943) ..... 7

*Schaeffer Pen Co. vs. Coe*, 27 F. Supp. 380 (D.C. 1939) ..... 8

*Two Pesos, Inc. vs. Taco Cabana, Inc.*, 112 S. Ct. 2753 (1993) ..... 13, 20, 23

*Vaughan Mfg. Co. vs. Brikam Int'l, Inc.*, 814 F.2d 346 (7th Cir. 1987) ..... 12

TABLE OF AUTHORITIES – Continued

Page

*Vegelahn vs. Guntner*, 167 Mass. 92, 44 N.E. 1077 (1896) ..... 25

*Wallace International Silversmiths, Inc. vs. Godinger Silver Art Co.*, 916 F.2d 76 (2d Cir. 1990) ..... 17

B. STATUTES AND REGULATIONS

15 U.S.C. §1125(a) (Lanham Act Section 43(a) ... *passim*

15 U.S.C. §1127 (Lanham Act, Section 45) .....10, 12

37 C.F.R. §2.52(e) ..... 20

C. MISCELLANEOUS

McCarthy, *Trademarks and Unfair Competition* (2d Ed. 1984), §7.16 ..... 7

McCarthy, *Trademarks and Unfair Competition* (2d Ed. 1984), §7.26 ..... 6

3 R. Callman, *The Law Of Unfair Competition, Trademarks and Monopolies*, §18.13 (4th Ed. 1983)..... 7

S. Rep. No. 1333, 79th Cong., 2d Sess. (1946)..... 16

S. Rep. No. 100-515, 100th Cong., 2d Sess. (1989) .... 10

United States Patent and Trademark Office, *Trademark Manual of Examining Procedures*, §1202.04(e)..... 11

Joseph Addison, *The Spectator*, (1711-12)..... 18

George Gottlieb, *In Case You Missed It. . . . "*, 62 Trademark Rep. 605 (1972)..... 12

*PC Magazine*, Issue dated May 14, 1991 ..... 22

*Restaurant Business Magazine*, Issue dated Oct. 10, 1991 ..... 22

No. 93-1577

In The

# Supreme Court of the United States

October Term, 1994

QUALITEX COMPANY,

*Petitioner,*

v.

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

On Writ Of Certiorari
To The United States Court Of Appeals
For The Ninth Circuit

## BRIEF FOR RESPONDENT

### STATEMENT

This Court has granted certiorari on one issue: whether the Lanham Act prohibits the registration of color as a trademark. Respondent would answer "no." It is not arguable that the Lanham Act allows the registration of color as a trademark, when the use of color functions as a trademark. That is the essence of this case. What is a trademark within the meaning of the registration provisions of the Lanham Act? Petitioner, seeking registration of what amounts to trade dress only, argues that the product itself may function as its own trademark. Rather than seeking to protect color as part of a design,

symbol, device, logo or brand name intended to *evoke* the product, the classic function of a trademark, Petitioner seeks, in essence, the right to trademark the product itself. Petitioner seeks an unwarranted, unnecessary and anti-competitive extension of the Lanham Act which should be rejected by this Court.

### (A) Statement Of Facts Relevant To Issues

Qualitex is a closely held corporation based in Chicago, Illinois, that has been engaged in the manufacture and sale of various products for dry cleaners, laundries and garment manufacturers (C.T 74, ¶2). One of the products manufactured by Qualitex is a press pad (*id.*). Press pads are long pads (the most commonly used size is 42") that fit over the steel steam-delivering plate of a commercial steam press, known as a "buck" (C.T. 72, ¶10; C.T. 73, ¶14). The various components of the pads are: a heavy cover cloth, typically colored, made of a durable yarn able to withstand high temperatures, an interior comprised of a slab of foam rubber and a slab of fiberglass, and a bottom cloth, usually lighter and less durable than the cover cloth but heat resistant. (*Id.*; C.T. 73, ¶¶14-15). Qualitex is considered the leading manufacturer of quality press pads in United States. The brand name of the Qualitex press pad is the "Sun Glow" pad. In 1959, Qualitex registered the name "Sun Glow" as a trademark on the Principal Record (*Trial Exhibit* 98). Indeed, the name "Qualitex" itself is a registered trademark (R.T., Vol. I, 74:12-80:23-25), and both registered marks are used on the Qualitex press pad packaging (*see, e.g., Trial Exhibit* 80A and 84A).



In the 1950's, Qualitex has used the green-gold color on its pads since sometime prior to 1965. However, Qualitex does not use the alleged unique color in its packaging. Instead, it uses a much darker forest green color, markedly different than the color of the press pad itself (R.T., Vol. I, 60:10-13; *Trial Exhibit* 80A). At no time prior to filing suit against Jacobson did Qualitex attempt to register the alleged unique green-gold color as a trademark on the Principal Register (R.T., Vol. I, 81:5-9).

Jacobson Products Co., Inc. is also a longtime and very well-known manufacturer of products for the commercial laundry and dry cleaning business (C.T. 72, ¶2; C.T. 73, ¶2). Jacobson's best known product is one of its own patented inventions, known as the "Magic Ironing Shoe". The ironing shoe, consisting of a teflon coat laminated to a metal frame, slips over the business end of steam irons and enables a much smoother travel over the article being ironed (C.T. 72, ¶3; C.T. 73, ¶3). Indeed, the Jacobson "Magic" ironing shoe and other products manufactured by Jacobson have been so internationally successful that even Harry Campagna, the President of Qualitex, admitted at trial that the word "Magic" has become almost exclusively associated with Jacobson Products in the laundry and drycleaning business (*id.*; R.T., Vol. I, 107:16-108:17).

In 1989, Jacobson decided to get into the press pad business (C.T. 72, ¶4). The decision was a logical extension of Jacobson's product line. Because Jacobson manufactures so many products for the dry cleaning and laundry business, Jacobson's customers often inquired whether Jacobson sold press pads (C.T. 73, ¶5).

Jacobson was determined to compete fairly with Qualitex, and to that end sought to obtain the identical component parts for its press pads as those used by Qualitex (*id.*, ¶¶6-7). Because of the long association of the word "Magic" with Jacobson products, Jacobson decided to call its press pad the Jacobson "Magic Glow" press pad (C.T. 73, ¶3). Jacobson also decided to obtain the same cover cloth as that used by Qualitex because the cloth was of high quality and very durable (*id.*, ¶¶6-7) and because the color was popular (*id.*, ¶12).

Jacobson carefully labeled his boxes with "Jacobson Magic Glow" labels that clearly identified the source of the goods (*Trial Exhibit* 25). Jacobson carefully advertised his press pad as the "Jacobson Magic Glow" pad in print media (*Trial Exhibit* 61). At no time did Jacobson believe that he was deceiving the public or was passing his press pad product off as that of Qualitex (C.T. 72, ¶¶9, 13; C.T. 73, ¶13) merely because the two pads were made of the same color. Nevertheless, the District Court found, and the Ninth Circuirt affirmed, that Jacobson had violated the provisions of Section 43(a) of the Lanham Act (15 U.S.C. §1125(a)) (hereinafter "Section 43(a)") by duplicating the color of the Qualitex press pad.

## SUMMARY OF ARGUMENT

Decades of jurisprudence evidences that the rule denying trademark recognition for mere product color is settled law that should not be lightly swept aside by an unnecessary extension of the Lanham Act. The reasons



cited by numerous courts in support of this rule are as valid today as ever.

The use of color in the case at bar does not present a "trademark" use of color permitting registration thereof under the Lanham Act. The color sought to be registered by Qualitex is not a brand, logo, symbol, device or design which evokes the product, but trade dress consisting of a sensory element of the product itself, color, that was found by the District Court and the Ninth Circuit to be protectable under Section 43(a). Trade dress already enjoys substantial protection under Section 43(a). To extend registration rights under the Lanham Act to mere product color is therefore not only not necessary, such a decision would be inherently anti-competitive and would constitute an unwarranted extension of the Lanham Act itself by judicial legislation.

The use of color in the press pad industry is necessary for the salability of the product itself. Because the use of color in the instant case was and is, therefore, purely functional, the right to register the color used by Qualitex in the case at bar should be denied.

The traditional grounds for denying registration of color *per se*, including shade confusion and color depletion, are not trivial or outmoded and must be seriously considered in determining whether product color alone is entitled to registration as a trademark under the Lanham Act.

## ARGUMENT

### I. THE LANHAM ACT SHOULD NOT BE CONSTRUED TO PERMIT REGISTRATION OF COLOR *PER SE*

#### A. Decades of Jurisprudence Have Established That Mere Product Color Is Not Entitled to Trademark Recognition

Jacobson would submit that there is a degree of imprecision in the briefs of Petitioner Qualitex and Amici as to the legal issue presented to this court. The Brief Amicus Curiae filed by the Bar Association of the District of Columbia discusses "single color marks."[1] Amicus The B.F. Goodrich Company discusses "color trademarks."[2] Jacobson agrees that color may be protected as a trademark under the Lanham Act. Jacobson, however, disagrees with the proposition asserted by Qualitex in this case – that the color of the product itself may be so registered, granting the registrant a monopoly on such color virtually for all time.

A color *per se* is a color used in a uniform, nondistinctive manner and not in connection with any definite or arbitrary symbol or design. McCarthy, *Trademarks and Unfair Competition*, §7.26 (2d Ed. 1984) (hereinafter "McCarthy"). Professor McCarthy distills the case law on this issue with this emphatic statement: "A color, *per se*, is not capable of appropriation as a trademark. That is, one seller cannot feature a certain color and claim 'This is my

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[1] Brief Amicus Curiae For The Bar Association Of The District Of Columbia, p. 2.

[2] Brief Amicus Curiae For B.F. Goodrich & Co., p. 10.



color. No one else in the trade can use this color.' " McCarthy, §7.16.[3] Save for a few distinguishable exceptions, this statement represents a rule of law that has support in decades of jurisprudence and should not be lightly discarded by this Court.

In 1920, more than two decades before the enactment of the Lanham Act, this Court held that "coloring matter is free to all who make it if no extrinsic deceiving element is present." *Coca-Cola Co. vs. Koke Co.*, 254 U.S. 143, 147, 41 S.Ct. 113, 114, 65 L.Ed. 189 (1920). That statement of law was correct then, and it is correct today. In *Gillette Safety Razor Co. vs. Triangle Mechanical Laboratories Corp.*, 87 F.2d 699 (E.D.N.Y. 1933), a pre-Lanham Act District Court followed this line and held that "a concern, however, must clearly identify its product by something more distinctive and individual than mere color . . . color itself is free." Again, in *Radio Corporation of America v. Decca Records*, 51 F.Supp. 493, 495 (S.D.N.Y. 1943), the District Court held that color must be used in the form of a design to constitute a trademark and that a record manufacturer could acquire no trademark rights in the color red not used in or as part of a design "for color qua color may not be a trademark."[4]

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[3] See, also, 3 R. Callman, *The Law of Unfair Competition Trademarks and Monopolies* §18.13 (4th Ed. 1983): " . . . the law is well settled today that the overall color of a product . . . cannot be a trade identity designation, nor is it entitled to registration."

[4] Other decisions of the Court of Customs and Patent Appeals and District Courts followed this well-recognized rule. *In re Canada Dry Ginger Ale*, 86 F.2d 830, 833 (CCPA 1936), ("a mark is not registrable if color alone is its distinguishing characteristic.") See, also, *In re L.E. Waterman Co.*, 34 App.D.C.185

Even after the Act, virtually all circuit courts that have confronted the "color *per se*" issue have continued to give vitality to the rule prohibiting registration for mere product color.[5] In *In re Swift & Co.*, (CCPA 1955), citing *Campbell Soup Co. vs. Armour & Co.*, 175 F.2d 795, 798, 81 U.S.P.Q. 430, 433 (3d Cir. 1949), the court noted the "well settled rule that trademark rights cannot be acquired in color alone." In *Plastilite Corp. vs. Kassnar Imports*, 508 F.2d 824, 826, 184 U.S.P.Q. 348, 350 (CCPA 1975), that Court stated "Color or colors used as mere surface decoration cannot be monopolized by a claim to trademark rights therein."

Jurisprudence dating back to the turn of the century evidences that the rule denying trademark protection to mere product color is settled law which should not be lightly swept aside, particularly when the Lanham Act already provides substantial protection for color, both as an element of device, design, symbol or logo, or when functioning as trade dress.

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(1909) (color of fountain pen not protectable); *Shaeffer Pen Co. vs. Coe*, 27 F.Supp. 380 (D.C. 1939) (plating in a particular color not protectible).

[5] *Dallas Cowboy Cheerleaders, Inc. vs. Pussycat Cinema, Ltd.*, 467 F.Supp. 366, 374 (S.D.N.Y 1978), *aff'd* 604 F.2d 200 (2d Cir. 1979); *Norwich Pharmacal Co. vs. Sterling Drugs, Inc.*, 271 F.2d 569, 572, 123 U.S.P.Q. 372, 375 (2d Cir. 1959) (pink medicinal liquid) *cert. denied* 362 U.S. 919, 80 S.Ct. 671, 4 L.Ed. 671 (1960); *Campbell Soup Co. vs. Armour & Co.*, 175 F.2d 795, 798, 81 U.S.P.Q. 430, 433 (3d Cir. 1949) (no exclusive use of half red and white; one cannot acquire a trademark in color alone); *North Shore Laboratories Corp. vs. Cohen*, 721 F.2d 514, 523 (5th Cir. 1983) (courts have uniformly rejected sanctioning exclusive rights to product color).



### B. The Lanham Act Already Protects Color When Color Functions as a Trademark as an Element of Design, Symbol or Device Intended to Be Source-identifying

Because the Lanham Act itself already protects color when color is employed as a trademark, there is no need to discard decades of jurisprudence in order to extend registration rights to mere product color. Color is protectable under the Lanham Act when color is included as an *element* of a trademark. As stated by the Ninth Circuit in *Mershon Co. vs. Pachmayr*, 220 F.2d 879, 883 (9th Cir. 1955): "We do not hold that color alone can be protected as a mark, but certainly color can be an element of a mark . . . 'if it be impressed in a particular design as a circle, square, triangle, a cross or a star,' " quoting from *Leschen & Sons Rope Co. vs. Broderick*, 201 U.S. 166, 171, 26 S.Ct. 425, 426, 50 L.Ed. 710 (1906). This rule of trademark law has wide acceptance in the circuit courts.[6] In *First Brands Corporation vs. Fred Meyer Inc.*, 809 F.2d 1373, 1382 (9th Cir. 1987), the Ninth Circuit, declining to follow the Federal Circuit's decision in *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (1st Cir. 1987), summarized the rule as follows: "Other than in extraordinary situations such

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[6] See, e.g., *In re Data Packaging Corp.*, 453 F.2d 1300, 1303, 172 U.S.P.Q. 396, 398 (CCPA 1972); *In re Todd Co.*, 290 F.2d 597, 600, 129 U.S.P.Q. 408, 410 (CCPA 1961); *In re Hehr Manufacturing Co.*, 279 F.2d 526, 528, 126 U.S.P.Q. 381, 383 (CCPA 1960); *Quabang Rubber Co. vs. Fabiano Shoe Co.*, 567 F.2d 154, 161, 195 U.S.P.Q. 689, 694 (1st Cir. 1977); *Campbell Soup Co. vs. Armour & Co.*, 175 F.2d 795, 798, 81 U.S.P.Q. 430, 433 (3d Cir. 1949); *Life Savers Corp. vs. Curtiss Candy Co.* 182 F.2d 4, 9, 85 U.S.P.Q. 440, 443 (1950); *First Brands Corporation vs. Fred Meyer, Inc.*, 809 F.2d 1373, 1382 (9th Cir. 1987).

as that presented in *Owens-Corning*, the general rule remains that an element of distinctiveness of shape in combination with the color still exists before a trademark will be granted." Professor McCarthy explains that "It is a matter of degree how well defined must be the design . . . upon which the color is imposed. The use of color merely as a background on a package . . . is usually rejected as having no trademark significance." McCarthy, *supra*, §7.17 (citing numerous cases).

The Act itself echoes this rule of law. Section 45 of the Lanham Act (15 U.S.C. §1127) defines a trademark as including "any word, name, symbol or device, or any combination thereof." No matter how much the words of the statute are tortured, color *per se*, that is, the color of the product itself, is neither a word, name, symbol or device and is thus not capable of registration, nor did Congress clearly intend in its 1988 Revisions to the Lanham Act that mere product color itself constitutes a "symbol" or "device" within the meaning of Section 45 of the Lanham Act (15 U.S.C. §1127).

Both Respondent and Amici make much of the 1988 revisions to the Lanham Act and point specifically to the Senate Report accompanying the 1988 legislation as proof that Congress intended to include "color" in the terms "symbol" or "device".[7] The Senate Report, however, begs the question before the court. Respondent Qualitex notes

[7] S. Rep. No.100-515, 100th Cong., 2d Sess. 44 (1988) *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607. It is entirely unclear from the quoted language that this statement can be interpreted as a wholesale adoption of the principal advanced by Qualitex in this case.



that the Senate Report accompanying the 1988 Revisions provides that the Senate "intentionally retained . . . the words 'symbol or device' so as not to preclude the registration of colors *when they function as trademarks*".[8] Mere product color is not a "symbol" or "device" and is not a "trademark" use of color.

Similarly, while the PTO continues to entertain applications for "color mark" registrations, the *sine qua non* of registration of color in the PTO is whether the use of color functions as a trademark.[9] Jacobson would submit that mere product color alone does not and cannot "function as a trademark."

### C. Color per Se Does Not Represent a "Trademark" Use of Color and Should Be Denied Registration Under the Lanham Act

The argument advanced by Qualitex fails to distinguish between a "trademark" and "trade dress". While a "trademark" is statutorily defined in the Lanham Act, "trade dress" represents a completely different concept,

[8] It is noteworthy that the Federal Circuit's opinion in *Owens-Corning* had been published at the time of the 1988 legislation. Congress clearly had an opportunity to enact explicit provisions granting registration rights to mere product color or to trade dress but did not do so.

[9] Section 1202.04(e) of the United States Patent and Trademark Office, *Trademark Manual Of Examining Procedures* at p. 1202-13 states: "color can function as a trademark *if it is used on goods in the manner of a trademark and* if it is perceived by the public as identifying and distinguishing the goods on which it is used and indicating their source." (emphasis added)

even if trade dress may in appropriate circumstances be accorded all of the protection of a registered mark.

The Lanham Act defines a "trademark" as "any word, name, symbol or device . . . used by a person to distinguish his or her goods . . . " (15 U.S.C. §1127). "Trade dress" is the "overall image used to present it to purchasers; it could include, to give a partial list, the product's size, shape, color, graphics, packaging and label." *Vaughan Mfg Co. vs. Brikam Int'l, Inc.*, 814 F.2d 346, 348, n.2 (7th Cir. 1987). A trademark is something distinctive, a word, name, symbol, design or device, which *evokes* the product. It is not, and should not be defined or construed, as the *product itself*, even if the trade dress, i.e. color, of the product may be protectable under Section 43(a) Act.

Under the view advanced by Qualitex, there is no difference between the product and its trademark. In Qualitex's view, the product *is* the trademark. In 1972, the National Broadcasting Company ("NBC") was granted permission to register a purely audible sensory mark – the classic NBC "chimes" – to identify NBC's television broadcasts.[10] This example highlights when a sensory element can and does function as a trademark and when it does not. What differentiates the NBC audible mark from the color *per se* mark sought to be registered by Qualitex in the case at bar is that there was a distinction between the trademark in question – the chimes – and the product in question – NBC's television shows. The chimes

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[10] George Gottlieb, *In Case You Missed It. . . . "* 62 Trademark Rep. 605 (1972).



*evoked* the product. When one heard the chimes, he or she thought "NBC". The same is not true in the case at bar. Here, there is no distinction between the product and its alleged trademark. The Court should not construe the Lanham Act to provide that the product may constitute the manufacturer's registered mark.

### D. Because Trade Dress Is Already Protectable under Section 43(a) of the Lanham Act, There Is No Need For an Unwarranted Extension of Registration Rights To Mere Product Color

Because the overall appearance of a product, including product color, is already protectable under Section 43(a) of the Lanham Act, there is simply no need for an unwarranted and anti-competitive extension of registration rights to mere product color.

Non-functional trade dress that is inherently distinctive, or which is not inherently distinctive but which has acquired secondary meaning, may be protected under the provisions of Section 43(a) of the Lanham Act (15 U.S.C. §1125(a)). *Two Pesos, Inc. vs. Taco Cabana, Inc.*, 112 S. Ct. 2753 (1993). Protectable trade dress actually provides the owner thereof with more protection than a claim for infringement of a registered mark. As noted in the Ninth Circuit's opinion in *Qualitex Co. vs. Jacobson Products Co., Inc.*, 13 F.3d 1297, 1303 (9th Cir. 1993): " . . . whereas in a registered trademark infringement case, the court must look at a *single* aspect of the product – the trademark itself – a court in a trade dress infringement case must look at the product as a whole. Therefore, it is possible to succeed on a suit for unfair competition even when there

is no registered trademark to begin with or even if no aspect of the package, taken alone, is registerable as a trademark."

Because the granting of a monopoly in product color through registration rights is inherently anti-competitive, and because sufficient protection already exists under the Lanham Act for mere product color, there is no compelling need to judicially legislate a right to register color per se under the Lanham Act.

### E. The Owens-Corning Decision Is Distinguishable From the Case at Bar and its Holding Should Be Limited To the Facts of That Case

Qualitex relied heavily throughout this case on the Federal Circuit's decision in *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (1st Cir. 1987). The *Owens-Corning* case seems facially identical to the case at bar because it too involved the issue of mere product color. However, as noted by the Ninth Circuit in *First Brands Corp. vs. Fred Mayer, Inc.*, 809 F.2d 1373 (9th Cir. 1987), *Owens-Corning* presented an "extraordinary situation", 809 F.2d at 1382, not present in the case at bar.

In *Owens-Corning*, the Federal Circuit was faced with an unusual situation. Owens-Corning marketed fibrous glass residence insulation which it dyed pink. In considering whether to grant Owens-Corning a federal trademark registration for its color *per se*, the Court observed that the basis for the traditional mere color rule was the color depletion theory enunciated in *Campbell Soup Co. vs. Armour & Co.*, 175 F.2d 795, *cert. denied* 338 U.S. 847, 70 S. Ct. 88, 94 L.Ed. 518 (3d Cir. 1949). In that case, the Third



Circuit refused to protect the color red for Campbell soup can labels since competition would be affected *"in an industry where colored labels were customary." Owens-Corning, supra,* 774 F.2d at 1120 (emphasis added).

On the other hand, however, the use of color in the residential fibrous glass industry was not customary. Indeed, the Court noted, and Amici Owens-Corning itself states,[11] that Owens-Corning was and is the only manufacturer in the entire residential fibrous glass industry that dyes its insulation. *Id.* at p. 1122. Every other manufacturer sells insulation in its natural yellow color, and this had been the case for *29 years* at the time the *Owens-Corning* case was litigated. *Id.* at p. 1125. The record in *Owens-Corning* was manifestly devoid of evidence of any practice in the industry of dying insulation a color other than its natural color, *id.* at p. 1122, and there was no evidence that suggested there was any need to do so. *Id.*

The Federal Circuit reasoned that "in a case where there is *no competitive need* . . . for colors to remain available to all competitors, the color depletion argument is an unreasonable restriction on the acquisition of trademark rights." (emphasis added). *id.* at p. 1122. Where no competitor other than Owens-Corning had colored its insulation for *29 years*, the court did not believe that granting Owens-Corning a trademark for its color would hinder competition.

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[11] *Brief Amicus Curiae* of Owens-Corning Fiberglas Corp., p. 2.

Most importantly, the Court expressly held that the color depletion theory "is not faulted for appropriate application." *id.* at p. 1120. On the contrary, *Owens-Corning* continued to apply the color depletion theory to bar registration of color per se unless no competitive need existed for colors to remain available in a particular industry.

*Owens-Corning* is thus distinguishable from the case at bar and, because the facts in *Owens-Corning* were so unusual, the case should be limited to those facts. In the case at bar, the evidence at trial showed that *all* press pad manufacturers color their press pads because experience showed that they cannot sell a white pad. Because there is a competitive need for the use of color in the press pad industry, no one manufacturer should be entitled to exclusive use of any particular color.

## II. Extension of Registration Rights under the Lanham Act to Mere Product Color Would Be Inherently Anti-Competitive

The legislative history of the Lanham Act states that the statutory scheme of trademark protection has three purposes: "to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will . . . "[12] In interpreting the Lanham Act, courts have struggled to balance the seemingly conflicting goals of consumer protection and the maintenance of the good will and reputation of a

[12] S. Rep. No. 1333, 79th Congress, 2d Sess., pt. 2 at p. 4 (1946) *reprinted in* 1946 U.S.C.C.A.N. 1274, 1227.



business, on the one hand, with reticence to interfere with legitimate competition, on the other.[13] In his dissent in *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1123 (1st Cir. 1987), Judge Jean Galloway Bissell stated that "The 'property' in a trademark is the right to prevent confusion, not to bar new entrants into the market." Similarly, in *Wallace Int'l Silversmiths, Inc. vs. Godinger Silver Art Co.*, 916 F.2d 76 (2d Cir. 1990), the Court, denying trademark protection for a sterling silver design, noted that "it is a first principal of trademark law that an owner may not use the mark as a means of excluding competitors from a substantial market."

Because the hallmark purpose of the Lanham Act is to prevent consumer confusion, the proper focus of the law should be on consumer confusion and not on the mere fact that two products may be made of the same color. This principal was recognized by this Court 54 years ago in the *Coca-Cola* decision, *supra*, p. 11. The Fifth Circuit commented in *North Shore Laboratories, Inc. vs. Cohen*, 721 F.2d 514, 523 (5th Cir. 1983) that:

> "Palming off is the proper issue, not color. Even though the 'mere inability of the public to tell two identical articles apart is not enough to

[13] Judge Markey, past Chief Judge of the Federal Circuit, reflected this dual concern when he stated in *James Burroughs, Ltd. vs. Sign of Beefeater Inc.*, 540 F.2d 266, 274 (7th Cir. 1976): "A 'trademark' is not that which is infringed. What is infringed is the right of the public to be free of confusion and the synonymous right of a trademark owner to control his product's reputation . . . The trademark laws exist to protect the consuming public from confusion, concomitantly protecting the trademark owner's right to a non-confused public."

> support an injunction against copying,' we recognize that the right to copy unpatented articles is not absolute. *Sears Roebuck & Co. vs. Stiffel* 376 U.S. at 232, 84 S.Ct. at 789 (1964). The Supreme Court suggests that when there is confusion as to who manufactured nearly identical goods, a court may appropriately require that the goods, whether patented or unpatented, be labeled or that other precautionary steps be taken to prevent consumers from being misled as to the source."

Despite whining from Qualitex, and other manufacturers, that resort to actions under Section 43(a), as was brought by Qualitex in the case at bar, is not enough, it is nevertheless noteworthy that Qualitex prevailed in its action against Jacobson under Section 43(a) and received all of the remedies which would have been available to Qualitex in an action for infringement of a registered mark.

Color is the most vital human sense. Jacobson agrees with Amicus Curiae Dr.Pepper/Seven-Up Corporation that "color is one of the few modes of communication which touches all but the few who cannot experience it. Color is an unspoken medium that transcends language, age, culture, social and educational barriers that otherwise inhibit or thwart communication."[14] It has been said that "Colors speak in all languages."[15] Because of the importance of this vital human sense, Dr. Pepper

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[14] Brief Amicus Curiae of Dr. Pepper/Seven-Up Corporation, at p. 10.

[15] Joseph Addison, *The Spectator* (1711-12) at p. 416.



observes that "color plays a dramatic role in the marketplace today."[16] It is precisely because color is such an important human sense and plays such a dramatic role in the ability of humans to perceive and understand the world around them that it would be completely inappropriate and inherently anti-competitive to grant any manufacturer of any product a complete monopoly for any particular color for their product. The issue is consumer confusion, not the mere duplication of color.

Several important cases have recognized the anti-competitive effect of granting a monopoly in product color. In *Nutrasweet Company vs. The Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), the Seventh Circuit rejected a claim for trademark protection for blue colored packets of non-sugar table top sweeteners based, in part, on the anti-competitive effect that would result from permitting a manufacturer to sue another based merely on the duplication of product or packaging color without proof of deception: "It is likely, however, that if each of the competitors presently in the tabletop sweetener market were permitted to appropriate a particular color for its product, new entrants would be deterred from entering the market. The essential purpose of trademark law is prevent confusion, not to bar entrants into the market."[17]

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[16] *Id.* at pp. 10-11

[17] The Seventh Circuit in *Nutrasweet* explained the myriad difficulties should trademark protection be extended to mere "Nutrasweet urges this court to adopt a fact-driven standard which would require the trial court to scrutinize the tabletop sweetener market to determine the number of competitors in that market to determine whether there is a competitive need for the color blue to remain available. Such a standard would

In the case at bar, substantial evidence was introduced at trial to the effect that the use of color on press pads is essential to their salability.[18] This is because the pads are subject to high heat and become scorched and untidy in appearance. The use of color helps obscure the scorch and other marks inflicted on the pad during their use, which is why every press pad manufacturer colors their press pads. Given that there is a competitive need for the use of color in the press pad industry, and that the Qualitex "green-gold" has apparently been accepted as an appropriate color for press pads[19]. Manufacturers

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prove unworkable, for there is no way for a court to predict the likelihood of future competitors in a particular market." *Nutrasweet*, 917 F.2d at 1028. In his *Owens-Corning* dissent, Judge Bissel noted the practical problems as well. Describing a color is imprecise at best. Since Certificates of Registration are printed in black and white, 37 C.F.R. §2.52(e), and contain only code linings for color (pink and red being the same), allowing registration of color will only add to such imprecision and provide little notice to those who scrutinize the Principal Register to determine whether their proposed colors might infringe registered colors. *Owens-Corning*, at p. 1131.

[18] The deposition of Harvey Davis, the now deceased owner of Bishop-Freeman Company, located in Evanston, Illinois was introduced at trial in lieu of Mr. Davis's direct testimony. Bishop-Freeman is a leading manufacturer of press pads. Mr. Davis testified that "If you use a white cover, for example, you wouldn't sell it." *Deposition of Harvey Davis*, 52:15-53:15.

[19] Qualitex's strength in the marketplace raises substantial questions as to whether the "green-gold" color used for its press pads may be or has become generic for press pads and highlights the anti-competitive nature of permitting Qualitex registration rights for its color. Generic marks are not registerable under the Lanham Act. *Two Pesos, Inc. vs. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2757 (1992). In his dissent in *Owens-Corning*, Judge



should be entitled to compete based on the merits and quality of their product, not on the basis of whether the products are made of the same color.

## III. Color Depletion and Shade Confusion Are Not Trivial Or Unimportant Concerns in Determining Whether to Grant Registration Rights for Mere Product Color

The color depletion theory, and inherent difficulties in making distinctions between different shades of color, two historical reasons for denying trademark rights to mere product color, are not trivial concerns as Qualitex and Amici have argued. The color depletion theory was described by the court in *Campbell Soup Co. vs. Armour & Co.*, 175 F.2d 795, 798 (3d Cir. 1949), a case where the court held that Campbell Soup Co. was not entitled to register the red and white background of its soup cans: " . . . if they may thus monopolize red in all of its shades, the next manufacturer may monopolize orange in all of its shades and the next yellow in the same way. Obviously, the list of colors would soon run out." There is substantial and continuing truth to that statement. While Qualitex and Amici argue that the human eye is capable of perceiving thousands of hues, in reality many, if not

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Bissel noted the same problem involving the pink color of Owens-Corning's insulation product: " . . . by reason of the dominance of Owens-Corning in the field . . . pink insulation has become virtually synonymous with home insulation. Thus, new entrants may be unable to effectively compete if barred from making pink insulation." *Owens-Corning*, at p. 1130.

most such hues, are so close as to be virtually indistinguishable.

Shade confusion is also a substantial concern in determining whether to grant registration rights to mere product color. Many factors, other than the product color itself, may influence a persons perception of color. For example, ambient light plays a crucial role in the perception of color.[20] The combination of wavelengths in sunlight changes throughout the day. When a person views an object, he or she perceives a combination of the color wavelength of the object and the light reflected from that object. The same rule of physics applies even if the ambient light is artificial. Because of these factors, judging color can be problematic. No color looks alike to the same two people, and can color appear different to the same person under different viewing conditions.[21] Courts are ill-equipped to deal with such elusive concepts as the perception of color, and shade confusion issues are far more difficult to resolve, and far different from, the determination of the similarity of words or symbols. Trademark infringement should not degenerate into competing spectroscopic analysis of color samples.

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[20] See, *inter alia, PC Magazine,* Issue dated May 14, 1991, discussing color theory while explaining how color monitors work.

[21] *Id.* See, also, *Restaurant Business Magazine,* Oct. 10, 1991 issue, discussing appropriate color schemes for restaurant interiors: "Second, the perception of color changes with the distance from that color so be sure to view tabletop options from the customer's vantage point. Third, color should always be chosen under relevant lighting conditions, because different light sources change our perception of color."



It is noteworthy that Qualitex seeks to protect hues other than its green-gold color. Qualitex requested and obtained an injunction not only against Jacobson's use of the same green-gold color, but also as hues that cannot be "easily distinguished from the Qualitex color by the casual user." (*Joint Appendix,* Appendix E). How close must the hues be before infringement is found?

## IV. Because There Is A Competitive Need For Color In The Press Pad Industry, The Use Of Color For Press Pads Must Be Viewed As Functional And Not Capable Of Registration.

It is axiomatic that functional features of a product design or trade dress may not be registered or recognized as trademarks. *Two Pesos, Inc. vs. Taco Cabana, Inc.* 112 S. Ct. 2753 at p. 2758 (citing numerous cases). Nor are functional features of an article protectable under the law of unfair competition. *Pope Automatic Machinery Co. v. McCrum-Howell Co.,* 191 F.2d 979 (7th Cir. 1911) cert. denied 223 U.S. 730, 56 L.Ed. 633, 32 S.Ct. 527. The basis for the rule of "functionality" is to avoid a clash with the objective of the federal patent law which is to protect functional inventions. A person not entitled to a patent under federal patent law should not be entitled to circumvent the patent law by calling a functional feature his "trademark". *Id.*

In determining functionality, a product's trade dress must be analyzed as a whole. As stated by this Court in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.* 456 U.S. 844, 850 n.10, 102 S.Ct. 2182, 2187 n.10, 72 L.Ed.2d 606 (1982):

> "A product feature is functional if it is essential to the [products] use . . . or if it affects the cost or quality of the article".

The color of the Qualitex press pad is functional and not protectable because, as argued above, (1) color serves a utilitarian purpose other than as solely a source identifying feature and (2) there is a competitive need for color in the press pad industry. Qualitex argues that the color of its pad is "not legally functional" because the selection of such color was "arbitrary", graciously suggesting that many other colors are and can be used on the press pads sold by other manufacturers. Qualitex also argues that the Qualitex green-gold color is more expensive to produce than other colors, so that by using another color, Jacobson would be able to "compete more effectively". Like Nutrasweet in the *Nutrasweet v. Stadt Corp, supra,* Qualitex argues that its color serves no other purpose than to identify its goods. However, the evidence shows that this is simply not the case. The deposition testimony of Mr. Campagna and Mr. Davis, cited above, proved that the use of color for press pads serves a utilitarian purpose other than source identification. The use of color maintains the neat appearance of the pad. As Mr. Davis put it, *"If you use a white cover, for example, you wouldn't sell it."* (*Deposition of Harvey Davis,* 52:15-53:15). If the product feature in question is vital to the saleability of a product, Jacobson would submit that such a feature is functional *per se*. Under any definition of functionality, the color *per se* of the Qualitex pad is functional and thus not protectable as a trademark.



## V. CONCLUSION

It is simply not necessary for this Court to engage in judicial legislation by extending registration rights under the Lanham Act to mere product color. Trade dress has never been capable of registration even if trade dress is capable of protection under Section 43(a) of the Lanham Act. Section 43(a) provides ample protection for mere product color without providing the anti-competive effects of a registered mark. Competitors who take sufficient steps to avoid public confusion or false designation of origin should be allowed to compete based on the quality of their merchandise, not based on such artificial factors as whether the products are made of the same color. In addition, the anti-competitive effect of color depletion and the inherent difficulties in determining shade confusion further compel the conclusion that mere product color should not accorded trademark recognition. As stated by Oliver Wendell Holmes in *Vegelahn vs. Guntner,* 167 Mass. 92, 44 N.E. 1077, 1080 (1896), "Free competition is worth more to society than it costs."

For all of the above reasons, this Court should affirm the opinion of the Ninth Circuit and affirm the cancellation of Qualitex's federal registration.

Respectfully submitted,

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**IN THE**
**SUPREME COURT OF THE UNITED STATES**
**OCTOBER TERM, 1994**

QUALITEX COMPANY,

*Petitioner,*

v.

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

# PETITIONER'S REPLY BRIEF

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## TABLE OF CONTENTS


**Page**

I. JACOBSON AGREES THAT THE LANHAM ACT DOES NOT PROHIBIT REGISTRATION OF COLOR AS A TRADEMARK . . . . . 1

II. JACOBSON HAS PROVIDED NO BASIS FOR OVERTURNING THE FACTUAL FINDINGS BELOW . . . . . 2

III. JACOBSON'S POLICY ARGUMENTS DO NOT SUPPORT A *PER SE* RULE AGAINST REGISTRATION OF COLOR TRADEMARKS . . . . . 6

A. JACOBSON DOES NOT HAVE SUBSTANTIAL JUDICIAL SUPPORT FOR ITS POLICY ARGUMENTS . . . . . 6

B. JACOBSON'S FACTUALLY UNSUPPORTED POLICY ARGUMENTS DO NOT REQUIRE A *PER SE* RULE AGAINST COLOR REGISTRATION . . . . 9

C. REGISTRATION OF COLOR TRADEMARKS SERVES THE UNDERLYING POLICIES OF THE LANHAM ACT . . . . . 13

IV. CONCLUSION . . . . . 14

## TABLE OF AUTHORITIES

**Page**

**CASES**

*Air Courier Conf. v. American Postal Workers Union*, 498 U.S. 517 (1991) . . . . . 3

*Anderson v. City of Bessemer City, N.C.*, 470 U.S. 564 (1985) . . . . . 3

*Bayer Co. v. United Drug Co.*, 272 F. 505 (D.C.N.Y. 1921) . . . . . 5

*Broderick & Bascom Rope Co. v. Manoff*, 41 F.2d 353 (6th Cir. 1930) . . . . . 10

*Campbell's Soup Co. v. Armour & Co.*, 175 F.2d 795 (3d Cir. 1949) . . . . . 8

*Chevron Chemical Co. v. Voluntary Purchasing Groups*, 659 F.2d 695 (5th Cir. Unit A Oct. 1981) . . . . . 10

*Dallas Cowboy Cheerleaders v. Pussycat Cinema*, 467 F. Supp. 366 (S.D.N.Y. 1979), *aff'd*, 604 F.2d 200 (2d Cir. 1979) . . . . . 8

*First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378 (9th Cir. 1987) . . . . . 8

*Hormel v. Helvering*, 312 U.S. 552 (1941) . . . . . 10



**Page**

*In re Canada Dry Ginger Ale, Inc.*, 86 F.2d 830 (C.C.P.A. 1936) . . . . . 8

*In re L. E. Waterman Co.*, 34 App. D.C. 185 (1909) . . . . . 8

*In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) . . . . . 7

*In re Swift and Co.*, 223 F.2d 950 (C.C.P.A. 1955) . . . . . 9

*Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844 (1982) . . . . . 12

*Johnson & Johnson v. Quality Pure Manufacturing, Inc.*, 484 F. Supp. 975 (D.C.N.J. 1979) . . . . . 10

*Kentucky Fried Chicken Corp. v. Diversified Packaging Corp.*, 549 F.2d 368 (5th Cir. 1977) . . . . . 10

*Life Savers Corp. v. Curtiss Candy Co.*, 182 F.2d 4 (7th Cir. 1950) . . . . . 8

*Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993) . . . . . 7

*Mershon Co. v. Pachmayr*, 220 F.2d 879 (9th Cir. 1955), *cert. denied*, 350 U.S. 855 (1955) . . . . . 8

*North Shore Laboratories Corp. v. Cohen*,

**Page**

721 F.2d 514 (5th Cir. 1983) . . . . . 8

*Norwich Pharmacal Co. v. Sterling Drugs, Inc.*, 271 F.2d 569 (2d Cir. 1959), *cert. denied*, 362 U.S. 919 (1960) . . . . . 8

*NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991) . . . . . 7

*Plastilite Corp. v. Kassnar Imports*, 508 F.2d 824 (C.C.P.A. 1975) . . . . . 9

*Quabaug Rubber Co. v. Fabiano Shoe Co., Inc.*, 567 F.2d 154 (1st Cir. 1977) . . . . . 8

*Roemer v. Board of Public Works of Maryland*, 426 U.S. 736 (1976) . . . . . 6

*Sheaffer Pen Co. v. Coe*, 27 F. Supp. 380 (D.C.D.C. 1939) . . . . . 8

*Tas-T-Nut Co. v. Variety Nut & Date Co.*, 245 F.2d 3 (6th Cir. 1957) . . . . . 8

*Taylor v. Freeland & Kronz*, 112 S. Ct. 1644 (1992) . . . . . 3

*Two Pesos Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753 (1992) . . . . . 12

*United States v. General Dynamics Corp.*, 415 U.S. 486 (1974) . . . . . 3

*United States v. Topco Associates, Inc.*,



**Page**

405 U.S. 596 (1972) . . . . . 7

*Volkswagenwerk Aktiengesellschaft v. Rickard*, 492 F.2d 474 (5th Cir. 1974) . . . . . 8

**STATUTES**

15 U.S.C. § 1114 (Lanham Act, Sec. 32) . . . . . 12

15 U.S.C. § 1115 (Lanham Act, Sec. 33(b)(7)) . 11

15 U.S.C. 1125(a) (Lanham Act, Sec. 43(a)) . . . 12

**MISCELLANEOUS**

Amicus Brief for the Bar Association of the District of Columbia . . . . . 13

Amicus Brief for the Dr. Pepper/ Seven-Up Corporation . . . . . 13

Amicus Brief for the Hand Tools Institute . . . . . 10,13

Amicus Brief for the Intellectual Property Owners . . . . . 13

Amicus Brief for the Owens-Corning Fiberglas Corp. . . . . 13

Amicus Brief for the United States . . . . . 13

Fed. R. Cir. P. 52(a) . . . . . 3

**Page**

Hearings on H.R. 4156 Before The Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the House Committee on the Judiciary, 100th Cong., 2d Sess. 90-99 (September 8, 1988) (Testimony of Jerome Gilson) . . . . . 12

Laurence B. Ebert, *Trademark Protection in Color: Do It By The Numbers!*, 84 Trademark Rep. 379 (1994) . . . . . 10

Supreme Court Rule 14.1(a) . . . . . 3

Supreme Court Rule 24.1(a) . . . . . 2

Supreme Court Rule 24.2 . . . . . 2

*The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 Trademark Rep. 375, 421 (1987) . . . . . 11

*Trademark Manual of Examining Procedure*, § 1202.04(e) (2d Ed. 1993) . . . . . 11



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# PETITIONER'S REPLY BRIEF

Petitioner, Qualitex Company ("Qualitex"), hereby replies to the brief of Respondent, Jacobson Products Co., Inc. ("Jacobson").

## I. JACOBSON AGREES THAT THE LANHAM ACT DOES NOT PROHIBIT REGISTRATION OF COLOR AS A TRADEMARK

Jacobson concedes the only issue certified for review by this Court, stating in the second sentence of its

argument: "Jacobson agrees that color may be protected as a trademark under the Lanham Act." Respondent's Brief at 6. Jacobson also admits that "[i]t is not arguable that the Lanham Act allows the registration of color as a trademark, when the use of color functions as a trademark."[1] Respondent's Brief at 1. Further, Jacobson does not dispute that the legislative history of the Trademark Law Revision Act of 1988, amending the Lanham Act, demonstrates Congress' intention to include colors, shapes, sounds, or configurations among the "symbols or devices" registrable as trademarks. Respondent's Brief at 10-11.

Unable to interpret the Lanham Act or its legislative history in a manner supporting its position, Jacobson quarrels with the factual determinations of the Patent and Trademark Office and the District Court that the green-gold color functions as a trademark of Qualitex: Determinations which the Ninth Circuit left undisturbed.

## II. JACOBSON HAS PROVIDED NO BASIS FOR OVERTURNING THE FACTUAL FINDINGS BELOW

The District Court found after trial that "Qualitex has a valid trademark registered on the Principal Register of the Patent and Trademark Office for the green-gold mark . . ." Joint Appendix ("J.A.") 13a. Despite the District Court's express findings, Jacobson argues that the green-gold color does not, in fact, function as a trademark as applied to Qualitex's press pads. Jacobson contends that as a factual

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[1] Supreme Court Rules preclude raising additional questions or changing the substance of the questions certified for review in any brief on the merits. Supreme Court Rules 24.1(a) and 24.2. Since Jacobson has conceded the issue certified for review and is barred by these rules from raising any new issues, it may be appropriate for this Court to summarily reverse the Ninth Circuit on the sole question presented.



matter the green-gold color is functional and will hinder competition if treated as a trademark.[2]

The factual findings of the trier of fact cannot be overturned unless found to be clearly erroneous. Fed. R. Civ. P. 52(a); *Anderson v. City of Bessemer City, N.C.* 470 U.S. 564, 573 (1985); *United States v. General Dynamics Corp.*, 415 U.S. 486, 508 (1974). The Ninth Circuit clearly rejected Jacobson's argument that the District Court's findings were erroneous and declined to overturn them (J.A. 31a - 35a). Moreover, that issue was not appealed to this Court and was not certified for review. Under these circumstances, Jacobson cannot raise the question now. Supreme Court Rule 14.1(a); *Taylor v. Freeland & Kronz*, 112 S. Ct. 1644, 1649 (1992); *Air Courier Conf. v. American Postal Workers Union*, 498 U.S. 517, 522 (1991).

Even if this Court were to review the factual findings below, the record simply does not support Jacobson's position. Jacobson improperly cites trial testimony which did not persuade the District Court.[3] The District Court found that the green-gold color applied to Qualitex's press pads was a trademark (J.A. 13a); that the Patent and Trademark Office had registered the mark (J.A. 7a); and that Jacobson failed to demonstrate that the mark was invalid and should be cancelled

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[2] Notably, this argument by Jacobson is irrelevant to the question presented; namely, whether the Lanham Act prohibits the registration of color as a trademark.

[3] For example, Jacobson attempts to convince this Court that "it was determined to compete fairly with Qualitex . . ." and that Jacobson did not believe that it was passing off its green-gold pads as those of Qualitex. Respondent's Brief at 4. Yet the District Court found that Jacobson's "use of the green-gold color was intended to trade on the goodwill Qualitex has developed in its green-gold trademark" (J.A. 15a). Further, the Court found Jacobson was "deceiving purchasers" and "putting an inferior product into the marketplace under Qualitex's distinctive trade dress." *Id.*

(J.A. 14a). Concerning the validity of the green-gold trademark, the District Court unequivocally found:

> (1) "The green-gold shade of color which distinguishes the Qualitex press pad that is being copied by Jacobson is not legally functional because it is not related in any way to the product's use, cost, quality or longevity"[4] (J.A. 17a);
>
> (2) "In recognizing the [green-gold] trademark as valid there is no danger of 'color depletion.' There are hundreds or thousands of distinctive shades of greens, yellows, blues, and browns or tans available to competitors without danger that recognizing plaintiff's trademark will hinder competition"[5] (J.A. 14a); and

[4] Jacobson claims here, as it did in the District Court, that the use of color on press pads is essential to their saleability and helps obscure the scorch and other marks inflicted during use. Respondent's Brief at 20. The District Court found, however: "Green-gold color dye on the cover material of a press pad does not make the press pad perform better" (J.A. 12a); "The color itself does not affect the quality of the goods one way or the other." *Id*; "The green-gold color dye for cover material is more expensive than other colors." *Id*.

[5] Jacobson argues here as it did at trial that *all* press pad manufacturers color their press pads because white pads are less saleable. From this, Jacobson argues that there is a competitive need for the use of color in the press pad industry which should preclude any manufacturer from claiming the exclusive right to use any particular color. Respondent's Brief at 16. The District Court found, however: "For decades, other manufacturers have used the colors lime green, gray, dark green, light blue, peach, orange, blue/gray and other colors on their press pads" (J.A. 8a); "There is a competitive need in the press pad industry for color, but the range of tones of available, distinctive, suitable colors, which need not be primary colors, is in the hundreds, if not thousands" (J.A. 12a); "There is no competitive need in the press pad industry for the green-gold color, since other colors are equally usable." *Id*.



> (3) "As a result of the long and exclusive use of its green-gold color in the marketplace Qualitex's SUN GLOW® pad has acquired distinctiveness or secondary meaning"[6] (J.A. 8a).

In spite of these dispositive findings, Jacobson conjectures that the green-gold mark has become a generic means of referring to all press pads. Respondent's Brief at n. 19. This argument is new and unsupported by the record below. Whether a mark has become generic is strictly a question of fact. *Bayer Co. v. United Drug Co.* 272 F. 505, 509 (D.C.N.Y. 1921). Not surprisingly, Jacobson has not pointed to any findings which support this position. On the contrary, by finding that the green-gold mark has acquired secondary meaning, the District Court necessarily found that Qualitex's green-gold color trademark is not generic. Jacobson's erroneous argument is exacerbated by its failure to understand the difference between color applied to a product and the product itself. Qualitex has never sought to register or claim rights in the color of the product itself. The natural color of the Qualitex cover material is a yellowed off-white (J.A. 12a). The green-gold color is arbitrarily applied to the cover cloth by Qualitex to identify and distinguish its press pads from those of its competitors.

There is no basis for this Court to rule that the District Court's findings regarding the validity of Qualitex's trademark are erroneous. Jacobson's self-serving version of the

[6] The District Court further found: "Qualitex has sold its press pads in the same green-gold color fabric for over 30 years" (J.A. 7a). "From 1960 through September 30, 1990, Qualitex has expended approximately $1,621,000 for advertising the green-gold color of the SUN GLOW® pad and to promote it at trade shows" (J.A. 8a). "Over the past 30 years, Qualitex has sold over one million SUN GLOW® press pads bearing the green-gold color." *Id*. ". . . Some purchasers of press pads have come to identify and order Qualitex press pads over the telephone by merely describing its color." *Id*.

facts is belied by the undisturbed findings of the courts below and the Patent and Trademark Office. The questions of whether the green-gold color has acquired secondary meaning, is non-functional, and is not needed for competition in the relevant industry are factual issues which have been resolved and may not be challenged by Jacobson at this juncture. *See Roemer v. Board of Public Works of Maryland*, 426 U.S. 736, 758 (1976).

## III. JACOBSON'S POLICY ARGUMENTS DO NOT SUPPORT A *PER SE* RULE AGAINST REGISTRATION OF COLOR TRADEMARKS

The issue certified in this case properly asks whether the Lanham Act prohibits color registration. Jacobson's policy arguments do not address this issue. Whether color may be registered as a trademark if it functions as such has been answered by Congress[7] and the Patent and Trademark Office.[8] Jacobson ignores the plain language of the Lanham Act, its legislative history and its administrative interpretation, and relies instead on mere policy arguments to defend the Ninth Circuit's grafting of a *per se* rule against color registration onto the statute. Mere policy arguments cannot prevail over the Lanham Act.

### A. JACOBSON DOES NOT HAVE SUBSTANTIAL JUDICIAL SUPPORT FOR ITS POLICY ARGUMENTS

Jacobson claims wide acceptance by the circuit courts of its policy arguments against registration of color trademarks. This is plainly wrong. Two circuit courts have clearly stated the opposite: Color may be protected as a

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[7] *See* Petitioner's Brief at 14-18

[8] *See* Petitioner's Brief at 19-22



trademark. *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985); *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993). Further, only the Ninth Circuit has ever cancelled a federal registration for a color trademark.

By arguing that *Owens-Corning* is an "extraordinary situation" and should be limited to its facts, Jacobson tacitly concedes that the registrability of color is based on a factual analysis. Where such an analysis is required, a *per se* rule against color registrability would be particularly unsuitable. *Cf. United States v. Topco Assocs., Inc.*, 405 U.S. 596, 607 (1972) (*per se* rules may be appropriate where a particular factor alone leads to a predictable result). Indeed, the District Court found that "[t]he facts in the present case are *remarkably similar to those in Owens-Corning* and therefore also constitute an '*extraordinary*' case to confirm trademark protection to the green-gold color for use on press pads" (J.A. 18a) (emphasis added). Thus, even if *Owens-Corning* is narrowly interpreted, the undisturbed factual findings of the District Court support the Patent and Trademark Office's decision to register Qualitex's green-gold color as a trademark.

Most of the cases cited in support of Jacobson's position do not refuse trademark protection solely because the mark at issue is a color, and none address the question of whether the Lanham Act prohibits registration of overall color as a trademark. In *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991), the only cited case to refuse protection based solely on the fact that the mark constitutes a single color, the issue of whether such a mark may be registered under the Lanham Act was not before the Court.[9] All of the other cited cases fail to reach

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[9] Nutrasweet Co. did not register its blue color as a trademark with the U.S. Patent and Trademark Office. A federal registration would have required Nutrasweet Co. (as Qualitex has done in this case) to demonstrate that its color mark had acquired secondary meaning, was non-functional, and

the question presented for one of two reasons: Either the court found on the facts of the case that a claimed proprietary right in a color should be rejected on functionality or non-distinctiveness grounds;[10] or the proprietary right asserted was not a color alone, but a combination of colors, color with a design, or as part of a trade dress scheme.[11] The universal

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did not interfere with any competitive need in the relevant industry. The reported case sheds no light on these subjects except to state Nutrasweet Co. had used the color for only six years.

[10] *See Norwich Pharmacal Co. v. Sterling Drugs, Inc.*, 271 F.2d 569 (2d Cir. 1959), *cert. denied*, 362 U.S. 919 (1960) (unregistered pink color of Pepto Bismol held to be unprotectable on functionality grounds); *North Shore Laboratories Corp. v. Cohen*, 721 F.2d 514 (5th Cir. 1983) (brown color of tire repair material is natural color after manufacturing process and non-distinctive); *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378 (9th Cir. 1987) (unregistered yellow antifreeze container trade dress is functional in relevant industry); *In re L. E. Waterman Co.*, 34 App. D.C. 185 (1909) (primary color red not protectable for fountain pen feed bars on non-distinctiveness grounds).

[11] *See Dallas Cowboy Cheerleaders v. Pussycat Cinema*, 467 F. Supp. 366 (S.D.N.Y. 1979), *aff'd*, 604 F.2d 200 (2d Cir. 1979) (unregistered trade dress of the Dallas Cowboys cheerleaders' uniform at issue); *Campbell's Soup Co. v. Armour & Co.*, 175 F.2d 795 (3d Cir. 1949) (unregistered red and white color scheme of the Campbell's soup can at issue); *Quabaug Rubber Co. v. Fabiano Shoe Co., Inc.*, 567 F.2d 154 (1st Cir. 1977) (validity of yellow octagon design mark upheld); *Volkswagenwerk Aktiengesellschaft v. Rickard*, 492 F.2d 474 (5th Cir. 1974) (appellate modification of a trade dress injunction, permitting defendant to use the color blue in signs); *Tas-T-Nut Co. v. Variety Nut & Date Co.*, 245 F.2d 3 (6th Cir. 1957) (unregistered color coding trade dress scheme at issue); *Mershon Co. v. Pachmayr*, 220 F.2d 879 (9th Cir. 1955), *cert. denied*, 350 U.S. 855 (1955) (unregistered mark including a white line as a component at issue); *Life Savers Corp. v. Curtiss Candy Co.*, 182 F.2d 4 (7th Cir. 1950) (unregistered color scheme of multicolored stripes on package of multicolored candy at issue); *In re Canada Dry Ginger Ale, Inc.*, 86 F.2d 830 (C.C.P.A. 1936) (map of Canada featuring design of colored lines refused registration on geographically descriptive grounds); *Sheaffer Pen Co. v. Coe*, 27 F. Supp. 380 (D.C.D.C. 1939) (design including platinum coloring refused registration in part because coloring was non-distinctive color of metal plating used).



deficiency among these cases is their failure to address registrability of a color under the Lanham Act.[12]

Pre-Lanham Act and common law trademark authority does not provide policy support for the Ninth Circuit's *per se* rule since countervailing policies are so clearly expressed in the language of the Act and its legislative history. Twentieth century trademark jurisprudence culminating in the current embodiment of the Lanham Act has clearly developed to protect a broad range of indicia which can identify and distinguish one manufacturer's products from those of others. *See* Petitioner's Brief at 14-16.

### B. JACOBSON'S FACTUALLY UNSUPPORTED POLICY ARGUMENTS DO NOT REQUIRE A *PER SE* RULE AGAINST COLOR REGISTRATION

Jacobson's brief sets forth a number of policy arguments which are based upon facts not present in this case. In any event, none of these arguments mandate the *per se* rule which Jacobson urges this Court to adopt. Jacobson argues that a color trademark presents the potential for shade confusion, and that this is a sufficient reason for denying trademark protection for a color. The facts in this case belie the universal applicability of that doctrine. Jacobson intentionally copied the exact color of Qualitex's registered

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[12] Jacobson also cites *In re Swift and Co.*, 223 F.2d 950 (C.C.P.A. 1955) and *Plastilite Corp. v. Kassnar Imports*, 508 F.2d 824 (C.C.P.A. 1975) to support its position. These cases were decided by the Court of Customs and Patent Appeals, the predecessor court of the United States Court of Appeals for the Federal Circuit. To the extent that these cases deny the registrability of color, they have been overruled by the Federal Circuit's decision in *In re Owens-Corning Fiberglas Corp.*

green-gold trademark, raising no issue of shade confusion.[13] *See* J.A. 9a-10a. *See also* J.A. 4a and 5a.[14] As discussed in Petitioner's Brief on the Merits, concerns about shade confusion, based on mere conjecture, are insufficient to warrant a categorical refusal to register color marks. Petitioner's Brief at 26-27.

Jacobson argues that federal registration and protection of color trademarks is anti-competitive, taking the position that permitting Qualitex to register its green-gold trademark would give Qualitex an unlawful monopoly. It is sufficient to state that there is no evidence in the record to support such an argument, and Jacobson is barred from raising it for the first time in this Court. *Hormel v. Helvering*, 312 U.S. 552, 556 (1941). Again, Jacobson ignores the findings of the District Court, which found that Qualitex's trademark is an arbitrarily applied color for which there is no competitive need

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[13] Jacobson also worries about the so-called "practical problems" of color description and identification of colors in the Trademark Register. This is merely a technical matter with readily available technical solutions. *See Amicus Brief for the Hand Tools Institute at 20. See also* Laurence B. Ebert, *Trademark Protection in Color: Do It By The Numbers!*, 84 Trademark Rep. 379 (1994).

[14] The Judgment entered by the District Court enjoined Jacobson from "selling press pads made of any fabric using the same green-gold color of the Qualitex press pads, or so close to said color that it cannot be easily distinguished from the Qualitex color by the casual user" (J.A. 21a). This injunction was undisturbed by the Ninth Circuit, which was apparently unconcerned with problems of shade confusion in this case. The breadth of the relief obtained after Jacobson's intentional deceptive conduct in adopting a color identical to that of Qualitex and placing it on inferior goods is hardly a basis for denying registration to Qualitex's green-gold trademark. Numerous cases have held that a defendant caught with its hand in the "cookie jar" must not only remove its hand from the jar, but must also "keep far away from it." *Johnson & Johnson v. Quality Pure Mfg., Inc.*, 484 F. Supp 975, 980 (D.C.N.J. 1979). *See also Chevron Chemical Co. v. Voluntary Purchasing Groups*, 659 F.2d 695, 705 (5th Cir. Unit A Oct. 1981); *Kentucky Fried Chicken Corp. v. Diversified Packaging Corp.*, 549 F.2d 368, 390 (5th Cir. 1977); *Broderick & Bascom Rope Co. v. Manoff*, 41 F.2d 353, 354 (6th Cir. 1930).



(J.A. 12a). There is no evidence or finding in this case that Qualitex has eliminated or even hindered competition in the marketplace by the use of its trademark. Absent such evidence, there is no support in this case for a *per se* rule. Of course, were there evidence that a mark has been or is being used to violate the anti-trust laws, Section 33(b)(7) of the Lanham Act, 15 U.S.C. § 1115, would provide a complete defense to a claim of trademark infringement.

Jacobson's concern that registration of color trademarks would deprive others in the marketplace of colors they need to compete was not shared by either the Ninth Circuit (J.A. 28a) or the District Court (J.A. 14a). The Ninth Circuit recognized that there are countless shades of colors that could not be depleted (J.A. at 28a). The supposed danger of color depletion is no basis for a *per se* rule. Whether there is a competitive need for color is a factual determination to be made in each case. See *Trademark Manual of Examining Procedure*, § 1202.04(e) (2d Ed. 1993). Qualitex has never deprived its competitors of the use of identifying colors they have chosen (J.A. 12a). As with shade confusion, the factual findings in this case fail to support Jacobson's color depletion argument. *See* Petitioner's Brief at 25-26.

Use of the green-gold color on the cover cloth of Qualitex's press pads as a source-identifying trademark does not impede competition; rather it promotes competition by permitting consumers to distinguish between the products of different manufacturers. Other press pad manufacturers are free to add any other color to distinguish and identify their products, and the District Court found that they have indeed done so (J.A. 8a). In this way, color functions as a trademark and promotes healthy competition. *See The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 Trademark Rep. 375, 421 (1987). Consumers are thus able to avoid confusion in the marketplace. Jacobson's argument that protection of overall color under the Lanham Act

is inherently anti-competitive is simply inconsistent with the use of color in this case and with trademark law principles generally.

Jacobson argues that adequate alternative protection for unregistered color trademarks is available under trade dress theories pursuant to Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), and that, accordingly, color trademarks should not be registrable under the Lanham Act. This argument is without merit. Section 43(a) of the Lanham Act does not provide the owner of a trademark protection equivalent to that provided by § 32.[15] *See* Petitioner's Brief at n. 28. Section 43(a) was intended to expand rather than restrict the protection of § 32 by prohibiting a broader range of practices. See *Two Pesos Inc. v. Taco Cabana, Inc.*, 112 S.Ct. 2753, 2757 (1992); *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 859 (1982). In any event, the availability of alternative protection under common law or § 43(a) is no compelling argument for denying registrability to color. If the availability of Section 43(a) protection were a reason to deny federal registration to a color trademark, it would also be a basis for denial of registration to any mark so protected. That could hardly have been what Congress intended.

## C. REGISTRATION OF COLOR TRADEMARKS SERVES THE UNDERLYING POLICIES OF THE LANHAM ACT

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[15] "There is a great distinction between the rights which the owner of federally registered trademark has and those which the owner of an unregistered mark has. A registration carries with it all of the statutory benefits, from constructive notice to prima facie evidence of the exclusive rights to use. A registration may also be eligible for incontestability, which is the highest form of registration protection we have. On the other hand, an unregistered trademark owner has none of those benefits. That distinction would remain in the legislation as proposed." Hearing on H.R. 4156 Before the Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the House Committee on the Judiciary, 100th Cong., 2d Sess. 90-99 (September 8, 1988) (Testimony of Jerome Gilson).



Sound trademark policy supports the registrability of color when it functions as a trademark. Registration of such trademarks serves the underlying policies of the Lanham Act. See Petitioner's Brief at 22. The Petitioner's position is supported by the United States, The U.S. Patent and Trademark Office, the International Trademark Association and six other Amici Curiae. The supporting briefs provide substantial evidence that sound public policy supports the registration of color trademarks.[16]

Qualitex's green-gold color has served as its trademark for over thirty years. To deny the statutory protection it has earned would promote confusion in the marketplace by depriving its customers of the trademark they clearly recognize and rely on in choosing a quality product. Jacobson would have this Court restrict the application of the Lanham Act when no reason for such restriction can be found in the words of the statute, its legislative history, or modern commercial practice. The policies underlying the Lanham Act require that in appropriate circumstances colors be registered as trademarks, to promote competition, to preserve goodwill and to protect consumers from confusion.

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[16] These briefs point out a myriad of policy interests which such registration serves: Color registration will protect the ability of consumers to distinguish between competing producers. Amicus Brief for the Owens-Corning Fiberglas Corp. at 13. Denying exclusive rights and registration to a color which has acquired secondary meaning would promote confusion and deception. Amicus Brief for the Bar Association of the District of Columbia at 5; Amicus Brief for the Intellectual Property Owners at 7; Amicus Brief for the Dr. Pepper/Seven-Up Corporation at 3. Registration of color advances the Lanham Act's objective of registering as many marks in use as practicable so competitors may effectively search the marks in use and avoid conflicts, Amicus Brief for the Intellectual Property Owners at 8. Denying registrability to color is inconsistent with global harmonization in trademark law. Amicus Brief for the Hand Tools Institute at 14-16. Permitting color registration supports the United States' advocacy to other countries that they recognize color as a trademark. Amicus Brief for the United States at 1-2.

## IV. CONCLUSION

For the reasons set forth above and in Petitioner's Brief on the Merits, this Court should reverse the decision of the Ninth Circuit to the extent that it ordered cancellation of Qualitex's federal registration.

Respectfully submitted

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# In the Supreme Court of the United States

OCTOBER TERM, 1994

QUALITEX COMPANY, PETITIONER

*v.*

JACOBSON PRODUCTS CO., INC.

*ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT*

## BRIEF FOR THE UNITED STATES AS AMICUS CURIAE SUPPORTING PETITIONER

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## QUESTION PRESENTED

Whether a color alone may be protected as a registered trademark under the Lanham Act.

## TABLE OF CONTENTS


| | Page |
|---|---|
| Interest of the United States | 1 |
| Statement | 2 |
| Summary of argument | 4 |
| Argument: | |
| Color alone may be protected as a trademark, so long as the legal prerequisites to such protection are satisfied | 6 |
| A. Color per se may satisfy all of the Lanham Act's requirements for trademark protection | 6 |
| B. The Ninth Circuit's policy concerns do not warrant complete exclusion of color from trademark protection | 17 |
| C. If this Court finds the statute ambiguous or silent on the subject, deference should be given to the PTO's interpretation of the Lanham Act | 23 |
| Conclusion | 27 |


## TABLE OF AUTHORITIES

Cases:


| | |
|---|---|
| *A. Leschen & Sons Rope Co.* v. *Broderick & Bascom Rope Co.*, 201 U.S. 166 (1906) | 19, 21 |
| *AmBrit, Inc.* v. *Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986), cert. denied, 481 U.S. 1041 (1987) | 19 |
| *Amsted Indus., In re*, 972 F.2d 1326 (Fed. Cir. 1992) | 17 |
| *Bose Corp., In re*, 772 F.2d 866 (Fed. Cir. 1985) | 13 |
| *Brunswick Corp.* v. *British Seagull Limited*, Nos. 94-1049 & 94-1050 (Fed. Cir. Sept. 14, 1994) | 14, 15, 18 |
| *Clarke, In re*, 17 U.S.P.Q.2d 1238 (T.T.A.B. 1990) | 9 |
| *Cooper Indus., Inc.* v. *Channellock, Inc.*, 788 F. Supp. 873 (W.D. Pa. 1992) | 26 |
| *Deere & Co.* v. *Farmhand, Inc.*, 560 F. Supp. 85 (S.D. Iowa 1982), aff'd, 721 F.2d 253 (8th Cir. 1983) | 15 |

Cases—Continued: Page

*Diamond Match Co.* v. *Saginaw Match Co.*, 142 F. 727 (6th Cir.), cert. denied, 203 U.S. 589 (1906) ..... 13
*Eagle Fence Rentals, Inc., In re*, 231 U.S.P.Q. 228 (T.T.A.B. 1986) ..... 26
*Eastman Kodak Co.* v. *Bell & Howell Document Mgmt. Prods. Co.*, 994 F.2d 1569 (Fed. Cir. 1993) ..... 24
*Edward Weck Inc.* v. *IM Inc.*, 17 U.S.P.Q.2d 1142 (T.T.A.B. 1990) ..... 26
*Electrolyte Laboratories, Inc., In re*, 929 F.2d 645 (Fed. Cir. 1990) ..... 19
*Exxon Corp.* v. *Texas Motor Exchange of Houston, Inc.*, 628 F.2d 500 (5th Cir. 1980) ..... 19
*Fotomat Corp.* v. *Ace Corp.*, 208 U.S.P.Q. 92 (S.D. Calif. 1980) ..... 8
*General Electric Broadcasting Co., In re*, 199 U.S.P.Q. 560 (T.T.A.B. 1978) ..... 9
*General Petroleum Corp., In re*, 49 F.2d 966 (C.C.P.A. 1931) ..... 21
*Harold F. Ritchie, Inc.* v. *Chesebrough-Pond's, Inc.*, 281 F.2d 755 (2d Cir. 1960) ..... 19
*Inwood Laboratories, Inc.* v. *Ives Laboratories, Inc.*, 456 U.S. 844 (1982) ..... 11, 13
*Keene Corp.* v. *Paraflex Indus., Inc.*, 653 F.2d 822 (3d Cir. 1981) ..... 15
*Kotzin, In re*, 276 F.2d 411 (C.C.P.A. 1960) ..... 7
*Lechmere, Inc.* v. *NLRB*, 112 S. Ct. 841 (1992) ..... 24
*Master Distributors, Inc.* v. *Pako Corp.*, 986 F.2d 219 (8th Cir. 1993) ..... 4, 17, 18, 19, 21
*McDonald's Corp.* v. *McBagel's, Inc.*, 649 F. Supp. 1268 (S.D.N.Y. 1986) ..... 19
*Minnesota Mining & Mfg. Co., In re*, 335 F.2d 836 (C.C.P.A. 1964) ..... 8
*Mogen David Wine Corp., In re*, 328 F.2d 925 (C.C.P.A. 1964) ..... 8
*Morton-Norwich Prods., Inc., In re*, 671 F.2d 1332 (C.C.P.A. 1982) ..... 12
*Mutual of Omaha Ins. Co.* v. *Novak*, 836 F.2d 397 (8th Cir. 1987), cert. denied, 488 U.S. 933 (1988) ..... 19



Cases—Continued: Page

*National Railroad Passenger Corp.* v. *Boston & Maine Corp.*, 112 S. Ct. 1394 (1992) ..... 23, 24
*Northwest Airlines, Inc.* v. *County of Kent*, 114 S. Ct. 855 (1994) ..... 24
*NutraSweet Co.* v. *Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), cert. denied, 499 U.S. 983 (1991) ..... 4, 18, 19
*Owens-Corning Fiberglas Corp., In re*:
221 U.S.P.Q. 1195 (T.T.A.B. 1984), rev'd, 774 F.2d 1116 (Fed. Cir. 1985) ..... 25, 26
774 F.2d 1116 (Fed. Cir. 1985) ..... *passim*
*Park 'N Fly, Inc.* v. *Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985) ..... 10, 15, 24
*Philco Corp.* v. *Phillips Mfg. Co.*, 133 F.2d 663 (7th Cir. 1943) ..... 22
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*Ritchie Mfg. Co., In re*, 170 U.S.P.Q. 291 (T.T.A.B. 1971) ..... 25
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*Security Engineering Co., In re*, 113 F.2d 494 (C.C.P.A. 1940) ..... 21
*Shaw, In re*, 184 U.S.P.Q. 253 (T.T.A.B. 1974) ..... 25
*Standard Oil Co.* v. *Standard Oil Co.*, 252 F.2d 65 (10th Cir. 1958) ..... 19
*Swift & Co., In re*, 223 F.2d 950 (C.C.P.A. 1955) ..... 8, 11
*Textron, Inc.* v. *United States Int'l Trade Comm'n*, 753 F.2d 1019 (Fed. Cir. 1985) ..... 12
*Two Pesos, Inc.* v. *Taco Cabana, Inc.*, 112 S. Ct. 2753 (1992) ..... 10, 12, 14
*Vuitton et Fils S.A.* v. *J. Young Enterprises*, 644 F.2d 769 (9th Cir. 1981) ..... 11
*William R. Warner & Co.* v. *Eli Lilly & Co.*, 265 U.S. 526 (1924) ..... 8, 13
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*World's Finest Chocolate, Inc., In re*, 474 F.2d 1012 (C.C.P.A. 1973) ..... 8

Statutes: Page


Lanham Act of 1946, ch. 540, 60 Stat. 427:
§ 2, 60 Stat. 428 ..... 22
§ 45, 60 Stat. 443 ..... 7, 22
Lanham Act, 15 U.S.C. 1051-1127 ..... 1
§ 2, 15 U.S.C. 1052 ..... 6, 9, 10, 12, 16, 17
§ 2(a), 15 U.S.C. 1052(a) ..... 9
§ 2(b), 15 U.S.C. 1052(b) ..... 9
§ 2(c), 15 U.S.C. 1052(c) ..... 9
§ 2(d), 15 U.S.C. 1052(d) ..... 9
§ 2(e), 15 U.S.C. 1052(e) ..... 9, 10
§ 2(f), 15 U.S.C. 1052(f) ..... 10, 11
§ 7(b), 15 U.S.C. 1057(b) ..... 20, 24, 27
§ 9(a), 15 U.S.C. 1059(a) ..... 13
§ 12, 15 U.S.C. 1062 ..... 24
§ 15, 15 U.S.C. 1065 ..... 20, 24
§ 17, 15 U.S.C. 1067 ..... 25
§ 21, 15 U.S.C. 1071 ..... 25
§ 22, 15 U.S.C. 1072 ..... 20
§ 32(1), 15 U.S.C. 1114(1) ..... 2
§ 32(1)(a), 15 U.S.C. 1114(1)(a) ..... 18
§ 32(1)(b), 15 U.S.C. 1114(1)(b) ..... 18
§ 42, 15 U.S.C. 1124 ..... 20
§ 43(a), 15 U.S.C. 1125(a) ..... 2, 17, 20
§ 45, 15 U.S.C. 1127 ..... 1, 4, 6, 8, 10, 12, 16
Trade Mark Act of 1905, ch. 592, 33 Stat. 724 ..... 22
Trademark Law Revision Act of 1988, Pub. L. No. 100-667, Tit. I, 102 Stat. 3935 ..... 22
§ 134(3), 102 Stat. 3947 ..... 7
15 U.S.C. 81 *et seq.* (repealed) ..... 22


Miscellaneous:


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Miscellaneous—Continued: Page


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*The Random House Dictionary of the English Language* (2d ed. 1987) ..... 7
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*Webster's Third New International Dictionary* (1986) ..... 7

# In the Supreme Court of the United States

OCTOBER TERM, 1994

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No. 93-1577

QUALITEX COMPANY, PETITIONER

*v.*

JACOBSON PRODUCTS CO., INC.

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*ON WRIT OF CERTIORARI TO*
*THE UNITED STATES COURT OF APPEALS*
*FOR THE NINTH CIRCUIT*

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**BRIEF FOR THE UNITED STATES**
**AS AMICUS CURIAE SUPPORTING PETITIONER**

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## INTEREST OF THE UNITED STATES

This case presents the question whether the Lanham Act, 15 U.S.C. 1051-1127, authorizes the registration of color alone as a trademark with the Patent and Trademark Office (PTO), a component of the United States Department of Commerce. The United States has a substantial interest in the resolution of that question, because it is the PTO that must in the first instance determine whether a "word, name, symbol, or device," 15 U.S.C. 1127, is registrable as a trademark. The United States also has an interest in protecting the pro-competitive policies of both the trademark and the antitrust laws. In addition, the United States has an interest in the question presented because the United States must address the proper protection afforded trademarks in international treaty negotiations. The United States has advocated in

such negotiations that other countries recognize that color per se may function as a trademark.

## STATEMENT

1. In 1957, petitioner began manufacturing and selling pads with a "unique green-gold color" for use on dry cleaning presses. In 1989, respondent began manufacturing and marketing press pads with the same green-gold color. Pet. App. 2a.

In March 1990, petitioner filed this action in federal district court, alleging that respondent infringed petitioner's trade dress and that respondent "passed off" its goods as those of petitioner, in violation of Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a). While the suit was pending, petitioner obtained Trademark Registration No. 1,633,711 for a green-gold color as applied to press pads for use in the dry cleaning industry.[1] Petitioner filed a supplemental complaint, which added the claim that respondent infringed that trademark, in violation of Section 32(1) of the Lanham Act, 15 U.S.C. 1114(1). Respondent counterclaimed for a declaratory judgment that petitioner's trademark was invalid on the ground that a trademark could not be granted for color alone and that, even if such a trademark could in some instances be granted, it should not have been granted to petitioner for the green-gold color. Pet. App. 2a-4a.

2. After a bench trial, the district court entered judgment for petitioner on its claims of trademark infringement and unfair competition and ruled against respondent's counterclaim for cancellation of the trademark. Pet. App. 30a-31a. The court awarded damages in the amount of $8,208 to petitioner and enjoined respondent from "manufacturing, marketing or selling press pads made of any fabric using the same green-gold color * * * or so

[1] The PTO presently has pending an administrative proceeding involving petitioner's registration. That proceeding is currently suspended, because of the pendency of this case. *Jacobson Prods. Co.* v. *Qualitex Co.*, Cancellation No. 19,712.



close to said color that it cannot be easily distinguished from * * * [petitioner's] color by the casual user." Pet. App. 31a.

With respect to the trademark infringement claim and the cancellation counterclaim, the court found that petitioner had spent substantial sums advertising the color of its press pads since 1960, and that the color had "acquired distinctiveness or secondary meaning." Pet. App. 17a. The court also found that respondent had "intentionally copied the overall look of [petitioner's] green-gold press pad," Pet. App. 20a, and that, based on anecdotal evidence and a survey conducted by petitioner, respondent's use of the green-gold color "has created the likelihood of confusion, deception or mistake in the marketplace," Pet. App. 21a. Finally, the court found that the green-gold color was non-functional. It is not the natural color of the yarn used to make the press pad, it "does not make the press pad perform better," and it "is more expensive than other colors." Pet. App. 22a. In addition, "there is no danger of 'color depletion.'" Pet. App. 24a. The court found that "[t]here are hundreds or thousands of distinctive shades of greens, yellow, blues, and browns or tans available to the competitors without danger that recognizing [petitioner's] trademark will hinder competition." *Ibid.*

3. The Ninth Circuit reversed the district court's finding of trademark infringement, affirmed its finding of unfair competition, and ordered cancellation of Qualitex's registered mark. Pet. App. 1a-14a. With respect to the trademark infringement claim and cancellation counterclaim, the court based its ruling on the principle that "a trademark should not be registered for color alone." Pet. App. 7a. The court recognized that "[r]egistration of mere color is not explicitly barred by the Lanham Act." Pet. App. 5a. But, the court concluded, "the better rule" is that color per se is not registrable. Pet. App. 7a. The court based its decision on (1) the "color depletion" theory, under which registration of colors threatens to

close the market if primary colors or other available colors all become unavailable to new competitors; (2) the contention that "[d]rawing distinctions between close shades of color could present unnecessary problems"; and (3) the contention that "[a]dequate protection is available when color is combined in distinctive patterns or designs or combined in distinctive logos." *Ibid.*

The court of appeals noted that its decision conflicted with recent decisions of the Federal and Eighth Circuits holding that color alone could be a trademark, see *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985); *Master Distributors, Inc.* v. *Pako Corp.*, 986 F.2d 219 (8th Cir. 1993), but that its decision was consistent with the Seventh Circuit's recent decision in *NutraSweet Co.* v. *Stadt Corp.*, 917 F.2d 1024 (1990), cert. denied, 499 U.S. 983 (1991). Pet. App. 6a-7a.

## SUMMARY OF ARGUMENT

The definition of a trademark under the Lanham Act broadly encompasses "any word, name, symbol, or device * * * used * * * to identify and distinguish" a seller's products "and to indicate the source of the goods." 15 U.S.C. 1127. That provision imposes no limit on what kind of product feature can be subject to trademark protection, provided the feature can serve the function of identifying the source of a product. Accordingly, where it is demonstrated that color serves, in a given use, as a symbol or device that identifies the source of a product, the color satisfies the Lanham Act definition.

The Ninth Circuit's policy arguments concerning color depletion do not provide a basis for recognizing an extra-statutory exception to the Lanham Act's coverage. To be sure, where a particular use of color is "functional," such as where its use as ornamentation increases the utility or appeal of a product or where there is danger that the available colors for that product would be depleted, protection could not be granted under ordinary trademark



principles. But that fact does not entail denying trademark protection to color in all circumstances, even when —as in this case—the use of a color to identify the source of a product satisfies a careful application of the ordinary prerequisites for trademark protection.

Nor do the Ninth Circuit's concerns about the possibility of shade confusion and the Ninth Circuit's recognition of the availability of other protection under the unfair competition provisions of the Lanham Act provide a basis for a rule categorically refusing trademark protection for color. Differentiating among shades to determine whether a use of color has infringed a color trademark is in principle no more difficult than determining whether a use of other kinds of symbols or devices that have some resemblance to a particular trademark is infringing. The fact that unfair competition protection may be available provides no basis for altering Congress's determination to provide for overlapping, distinct forms of protection for trademarks under the unfair competition and trademark provisions of the Lanham Act.

Finally, insofar as any ambiguity remains, the PTO's determination that color may be registered as a trademark is entitled to deference. Congress has expressly delegated authority to the Commissioner of Patents and Trademarks to register trademarks and to administer the Lanham Act. The PTO, which has considerable expertise in this area, has interpreted the Lanham Act to authorize registration of color per se where it serves as a trademark and does not deprive competitors of any reasonable right or competitive need. That interpretation is reasonable and consistent with the statute, and it should be given deference by reviewing courts.

## ARGUMENT

### COLOR ALONE MAY BE PROTECTED AS A TRADEMARK, SO LONG AS THE LEGAL PREREQUISITES TO SUCH PROTECTION ARE SATISFIED

#### A. Color Per Se May Satisfy All Of The Lanham Act's Requirements For Trademark Protection

1. Although the Ninth Circuit ultimately held that a color alone may not be the subject of a trademark, it correctly held that "[r]egistration of mere color is not explicitly barred by the Lanham Act." Pet. App. 5a. A single color may satisfy the Lanham Act's definition of a "trademark," and a color need not be excluded by any of the specific exceptions to registrability in Section 2 of the Act, 15 U.S.C. 1052.

Under Section 45 of the Lanham Act, the term "trademark" is defined to

> include[] any word, name, symbol, or device, or any combination thereof—
>
> (1) used by a person, or
>
> (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,
>
> to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

15 U.S.C. 1127.

That definition is very broad. The initial portion of the definition—"word, name, symbol, or device"—does not limit the definition at all, and we are aware of no case construing those terms to exclude a product feature for which a seller sought trademark protection.[2] It is the

[2] The present definition of a trademark is similar to the Lanham Act's original definition, which provided that "[t]he term 'trademark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others." Lanham Act of 1946, ch. 540, § 45, 60 Stat. 443. The only difference is that the original definition was limited to marks that were actually used on the goods, while the present definition, adopted in 1988, includes marks that a person has a bona fide intent to use in commerce. See Trademark Law Revision Act of 1988, Pub. L. No. 100-667, Tit. I, § 134(3), 102 Stat. 3947. The predecessor to the Lanham Act included no comparable definition of "trademark." See pp. 21-22, *infra*.



function of a feature in distinguishing a product and indicating its source, rather than the nature of the feature, that determines whether it may be subject to trademark protection. Cf. *In re Kotzin*, 276 F.2d 411, 414-415 (C.C.P.A. 1960) (definition not "intended to restrict registrable trademarks" in view of use of the term "includes" in definition).

The terms "symbol" and "device" are particularly broad. A leading dictionary defines "symbol" as "something used for or regarded as representing something else." *The Random House Dictionary of the English Language* 1926 (2d ed. 1987).[3] A color may easily satisfy that definition, for colors frequently stand for or represent other things. Familiar examples would include the color green as representing Ireland; the color white when used on a flag, banner, or cloth as a symbol of non-belligerence or truce; and the colors red and green in a traffic signal representing "stop" and "go." The term "device" is defined even more broadly as "a thing made for a particular purpose." *Id.* at 543.[4] A color alone may qualify as either a "symbol" or "device." See *Kotzin*, 276 F.2d at

[3] Another leading dictionary defines "symbol" as "something that stands for or suggests something else by reason of relationship, association, convention, or accidental but not intentional resemblance." *Webster's Third New International Dictionary* 2316 (1986).

[4] *Webster's Third New International Dictionary* defines "device" as "something that is formed or formulated by design." *Id.* at 618.

415 (mere location of tag on a garment may be "a symbol or device or a combination thereof").

A color may also qualify under the balance of the statutory definition. Prior to the Lanham Act, statutory protection of trademarks extended only to "technical" common law trademarks—*i.e.*, trademarks that are "inherently distinctive" and thus have no descriptive content.[5] But the broad definition incorporated into the Act requires only that what is sought to be registered serve "to identify and distinguish [a person's] goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." 15 U.S.C. 1127. Virtually any product feature can satisfy that definition, including entire product designs and packaging. See, *e.g., In re World's Finest Chocolate, Inc.*, 474 F.2d 1012 (C.C.P.A. 1973) (shape of wrapped candy bar); *In re Minnesota Mining & Mfg. Co.*, 335 F.2d 836 (C.C.P.A. 1964) (triangular shape of chemical); *In re Mogen David Wine Corp.*, 328 F.2d 925 (C.C.P.A. 1964) (decanter wine container); *In re Swift & Co.*, 223 F.2d 950 (C.C.P.A. 1955) (polka dot bands on packaging); *Fotomat Corp.* v. *Ace Corp.*, 208 U.S.P.Q. 92 (S.D. Calif. 1980) (building design of photo-finishing store). So long as the feature is of a type that may be perceived by purchasers to identify the source of a product, it may be protected as a trademark. See,

[5] See *William R. Warner & Co.* v. *Eli Lilly & Co.*, 265 U.S. 526, 528 (1924) ("A name which is merely descriptive of the ingredients, qualities or characteristics of an article of trade cannot be appropriated as a trademark and the exclusive use of it afforded legal protection."); *Scandinavia Belting Co.* v. *Asbestos & Rubber Works of America, Inc.*, 257 F. 937, 946, 957 (2d Cir.) (referring to protection of "technical trade-marks"), cert. denied, 250 U.S. 644 (1919). See also *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1119 (Fed. Cir. 1985). See generally Milton Handler & Charles Pickett, *Trade-Marks and Trade Names—An Analysis and Synthesis: I*, 30 Colum. L. Rev. 168, 169-170 (1930).



*e.g., In re Clarke*, 17 U.S.P.Q.2d 1238 (T.T.A.B. 1990) (fragrance registered as trademark of sewing thread and embroidery yarn); *In re General Electric Broadcasting Co.*, 199 U.S.P.Q. 560 (T.T.A.B. 1978) (discussing registration of sound as service mark for radio broadcasting services).[6]

2. Section 2 of the Lanham Act confirms the broad scope of the definition of "trademark" in Section 45. It provides that "[n]o trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration * * * *on account of its nature* unless" it falls within five categories of exceptions, none of which includes color per se. 15 U.S.C. 1052 (emphasis added).[7] Thus, "the nature of a mark is no basis for refusing to register it either as a service mark or as a trademark if it performs as an indication of source and does not fall within" the Section 2 exceptions. *General Electric*, 199 U.S.P.Q. at 562.

3. The legislative history of the Lanham Act confirms that Congress intended to eliminate arbitrary restrictions on the types of product features that could be granted trademark protection. The Senate report on the

[6] A number of sounds have been registered as trademarks, including Registration No. 916,522 issued to the National Broadcasting Co.—the familiar NBC chimes. The notes of the NBC chimes—G, E, and C—are the initials of General Electric Corp., which once owned (and now again owns) the network.

[7] Those categories consist primarily of "immoral, deceptive, or scandalous matter," or the like, 15 U.S.C. 1052(a); "the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation," 15 U.S.C. 1052(b); "a name, portrait, or signature identifying a particular living individual except by his written consent," 15 U.S.C. 1052(c); "a mark which so resembles" a registered mark "as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive," 15 U.S.C. 1052(d); and a mark which is "merely descriptive" or "deceptively misdescriptive," 15 U.S.C. 1052(e).

Act explained that Congress's general purpose was "to simplify registration and to make it stronger and more liberal, [and] to *dispense with mere technical prohibitions and arbitrary provisions.*" S. Rep. No. 1333, 79th Cong., 2d Sess. 3 (1946) (emphasis added). In enacting the Lanham Act, Congress determined that "a sound public policy requires that trade-marks should receive nationally the greatest protection that can be given them." *Id.* at 6.

4. Although Sections 45 and 2 of the Lanham Act do not wholly exclude any type of feature from protection as a trademark, they do impose the requirement that a feature must be used as a trademark in order to receive protection. As this Court has explained, "[i]n order to be registered, a mark must be capable of distinguishing the applicant's goods from those of others." *Two Pesos, Inc.* v. *Taco Cabana, Inc.*, 112 S. Ct. 2753, 2757 (1992); see *Park 'N Fly, Inc.* v. *Dollar Park & Fly, Inc.*, 469 U.S. 189, 194 (1985). A mark is thus "distinctive and capable of being protected if it *either* (1) is inherently distinctive *or* (2) has acquired distinctiveness through secondary meaning." *Two Pesos*, 112 S. Ct. at 2758.

A color may not ordinarily receive trademark protection on the ground that it is "inherently distinctive." As this Court explained in *Two Pesos*, "inherently distinctive" marks are those whose "intrinsic nature[s] serve[] to identify a particular source of a product," and they are usually categorized as "suggestive," "arbitrary," or "fanciful." 112 S. Ct. at 2757. A color is ordinarily applied to a product, however, not to identify its source, but to provide ornamentation; since it therefore ordinarily does not function as a trademark at all, it may not be said to be inherently suggestive, arbitrary, or fanciful. Rather, it is protectible only if it "has acquired distinctiveness through secondary meaning." *Two Pesos*, 112 S. Ct. at 2758. See 15 U.S.C. 1052(f).[8]

[8] In the case of "descriptive" marks, Section 2(e) of the Lanham Act specifically permits refusal of registration, unless they can satisfy the "distinctiveness"—or secondary meaning—requirement of Section 2(f). Colors, like other ornamental features of a product, are not "descriptive" of the product. Nonetheless, because such features are not "inherently distinctive," their treatment is similar to that of "descriptive" features: it cannot be concluded that the mark functions as a trademark unless a showing of distinctiveness has been made. See, *e.g.*, *Owens-Corning*, 774 F.2d at 1124-1125 (sustaining registration of pink color for fiberglass insulation); *Vuitton et Fils S.A.* v. *J. Young Enterprises*, 644 F.2d 769, 774 (9th Cir. 1981) (sustaining registration for overall design applied to luggage as a source indicator); *Swift & Co.*, 223 F.2d at 953 (holding polka dot banding was "an artistic and unique design or pattern which may be constituted a trademark 'device' within the meaning of [the Lanham Act]").



"To establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself." *Inwood Laboratories, Inc.* v. *Ives Laboratories, Inc.*, 456 U.S. 844, 851 n.11 (1982). In many cases, the "primary significance" of a color will not be "to identify the source of the product," and the color will accordingly not be subject to trademark protection.

The question whether a color applied to a particular article has secondary meaning, however, is generally an empirical one to be decided on the basis of the facts of a given case. In *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (1985), for example, the Federal Circuit noted that the producer of the insulation had featured the pink color of its insulation in its very extensive advertising campaigns and had shown, through a customer survey, that 40-50% of male homeowners (to whom the insulation was marketed) identified the producer as the manufacturer of pink insulation. *Id.* at 1126-1127. The court concluded that the "totality of the evidence" established secondary meaning. *Id.* at 1128.

The same conclusion follows from the district court's factual findings in this case. The district court found that

petitioner had extensively advertised the green-gold color of its press pads, that some customers order the press pads over the telephone by color, and that other manufacturers had used other colors. Pet. App. 17a-18a. The district court also found that survey evidence showed that 39% of those questioned identified petitioner as the manufacturer when shown a green-gold press pad, that none named respondent, and that "[n]umerous" people who participated in the survey stated that they identified the press pad as petitioner's because of its "color." Pet. App. 21a. The district court's conclusion that that evidence is sufficient to establish that the green-gold color had acquired secondary meaning was not clearly erroneous.

5. Aside from the statutory definition in Section 45 and the exclusions of Section 2, there is another restriction on the circumstances under which a feature of a product may be protected as a trademark: A "functional" feature of a product is not susceptible of trademark protection. See, *e.g.*, *Two Pesos*, 112 S. Ct. at 2758 (trade dress); *Textron, Inc.* v. *United States Int'l Trade Comm'n*, 753 F.2d 1019, 1024 (Fed. Cir. 1985). The functionality doctrine derives from recognition of the "fundamental right to compete through imitation of a competitor's product." *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1336 (C.C.P.A. 1982). That right may be "*temporarily* denied by the patent or copyright laws," *ibid.*, but perpetual protection of a functional product feature through trademark protection would defeat that right altogether. Thus, although the trademark laws protect symbols which identify the source of particular goods, a trademark may not be used to limit competitors' ability to copy features that render goods more useful.[9]

[9] Careful application of the functionality doctrine and the requirement of secondary meaning is required to obviate the concern



a. This Court has explained that, "[i]n general terms, a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." *Inwood Laboratories*, 456 U.S. at 850 n.10. There are a number of circumstances in which color per se would have such a functional quality, and thus would not be eligible for trademark protection. For example, if there is a limited range of colors that may be applied to an article—*i.e.*, if there is a danger of "color depletion," see Pet. App. 7a—competing firms and new producers would require the availability of those colors in order to participate in the market, and it would be reasonable to view those colors as "essential to the use or purpose of the article." *Inwood Laboratories*, 456 U.S. at 850 n.10.[10] Similarly, if the use of one or more colors would make production of the product less expensive or the resulting product function better, or if the application of one or more colors could make the article more marketable to consumers than would the application of others, the color or colors would have a functional quality, and trademark protection would be precluded.[11] The fact that trademark rights are renewable every ten years in perpetuity, see 15 U.S.C. 1059(a), emphasizes

that registration of color as a trademark could otherwise frustrate the pro-competitive policies of the Lanham Act and the antitrust laws.

[10] See *Diamond Match Co.* v. *Saginaw Match Co.*, 142 F. 727, 729 (6th Cir.) ("The primary colors, even adding black and white, are but few. If two of these colors can be appropriated for one brand of tipped matches, it will not take long to appropriate the rest."), cert. denied, 203 U.S. 589 (1906); cf. *In re Bose Corp.*, 772 F.2d 866, 872 (Fed. Cir. 1985) (no trademark protection where a "feature asserted to give a product distinctiveness is the best, or at least one, of a few superior designs for its * * * purpose").

[11] Cf. *William R. Warner & Co.*, 265 U.S. at 531 (party has no exclusive rights to brown color of quinine preparation, because it arose from addition of chocolate, which made preparation more palatable).

the necessity for competitors and potential competitors to have access to the color.

This Court has addressed analogous issues regarding depletion of available trade dress features in *Two Pesos, Inc.* v. *Taco Cabana, Inc., supra.* In that case, the Court held that the owner of inherently distinctive trade dress is not required to show that the trade dress has acquired distinctiveness. Petitioner argued that such a showing should be made, because the initial user of the trade dress could otherwise cut off competition from products of similar designs and shapes. The Court relied on functionality considerations in rejecting that argument:

> Only nonfunctional, distinctive trade dress is protected under § 43(a) [of the Lanham Act, 15 U.S.C. 1125(a)]. The Fifth Circuit holds that a design is legally functional, and thus unprotectable, if it is one of a limited number of equally efficient options available to competitors and free competition would be unduly hindered by according the design trademark protection. *This serves to assure that competition will not be stifled by the exhaustion of a limited number of trade dresses.*

112 S. Ct. at 2760-2761 (emphasis added; citation omitted).

In *Brunswick Corp.* v. *British Seagull Limited*, Nos. 94-1049 & 94-1050 (Sept. 14, 1994), the Federal Circuit recently held that a manufacturer of outboard marine engines may not register the color black as a trademark. The court noted that "[t]he color black * * * does not make the engines function better as engines" or "affect [their] mechanical purpose." Slip op. 7. But the color black "exhibits both color compatibility with a wide variety of boat colors and ability to make objects appear smaller." *Ibid.* Because of those "advantages for potential customers," the color was properly found to be functional and hence not subject to protection as a trademark. *Ibid.* Cf. *Keene Corp.* v. *Paraflex Indus., Inc.*, 653 F.2d 822 (3d Cir. 1981) (shape of wall-mounted lighting fixture held functional because of compatibility with building style); *Deere & Co.* v. *Farmhand, Inc.*, 560 F. Supp. 85 (S.D. Iowa 1982) (color green may not be common law trademark because consumers wanted farm equipment to match), aff'd, 721 F.2d 253 (8th Cir. 1983).



b. There are circumstances, however, in which there is little danger that recognition of trademark rights would cause color depletion. In those circumstances, if the color serves no other functional purpose, there is no basis for refusal to recognize the producer's trademark rights in the color. Indeed, recognition of trademark rights in that context can serve a pro-competitive purpose. As the Senate report on the Lanham Act explained:

> Trade-marks * * * are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not.

S. Rep. No. 1333, *supra*, at 4. See also *Park 'N Fly*, 469 U.S. at 198.

In *Owens-Corning*, the Federal Circuit accordingly recognized that trademark protection could be granted because the use of color at issue was non-functional. 774 F.2d at 1122. In that case, the manufacturer dyed its fiberglass insulation pink, which is "a color different from that which it has as a result of the manufacturing proc-

ess," and promoted that identifying feature for many years. *Ibid.* The type of insulation involved "ordinarily has a light yellow-white coloring." *Ibid.* In its customary use, insulation is hidden inside a wall, and its ornamental properties would not be expected to be of substantial significance to consumers. The Federal Circuit held that, in those circumstances, the color "has no utilitarian purpose, does not deprive competitors of any reasonable right or competitive need, and is not barred from registration on the basis of functionality." *Ibid.*

In light of the district court's findings, the same conclusion follows in this case. The district court found that the "natural color" of the materials in petitioner's press pad is "yellowed off-white." Pet. App. 22a. The non-primary "[g]reen-gold color dye * * * does not make the press pad perform better," it "does not affect the quality of the goods one way or another," and it "does not make the press pad last longer." *Ibid.* Although "[t]here is a competitive need in the press pad industry for color," other colors are "equally usable," and the "range of tones of available distinctive suitable colors * * * is in the hundreds, if not thousands." *Ibid.* Petitioner's green-gold color is accordingly not barred from recognition as a trademark on the ground of functionality.

6. Based on the district court's findings, the color of petitioner's press pads thus satisfies the statutory prerequisites for recognition as a protectible trademark. The color is a "symbol" or "device." By virtue of its secondary meaning, it has acquired the ability "to identify and distinguish" petitioner's press pads "from those manufactured or sold by others" and "to indicate the source of the goods." 15 U.S.C. 1127. It is not precluded by any of the specific exclusions of Section 2 of the Lanham Act. As used in press pads, the green-gold color is non-functional. Accordingly, applying ordinary principles of trademark law, the district court correctly concluded that petitioner's trademark in the green-gold press pads was valid. Pet. App. 23a.



**B. The Ninth Circuit's Policy Concerns Do Not Warrant Complete Exclusion Of Color From Trademark Protection**

The Ninth Circuit did not dispute any of the district court's factual findings. The court of appeals remarked that "[r]egistration of mere color is not explicitly barred by the Lanham Act," and that color "is not listed" as "one of the specific exceptions to registrability" in Section 2 of the Lanham Act, 15 U.S.C. 1052. Pet. App. 5a. Indeed, the court relied on most of the district court's factual findings in ruling that respondent had violated Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a), by infringing on petitioner's trade dress. See Pet. App. 10a-14a. The court of appeals nevertheless held petitioner's trademark invalid because "the better rule is that a trademark should not be registered for color alone." Pet. App. 7a. The court erred in reaching that conclusion.

1. The court of appeals based its conclusion in part on the "color depletion" theory. Pet. App. 7a. According to that theory, permitting the protection of colors could injure competition, by deterring new entrants if and when all available colors became divided up among current market participants.[12]

Regardless of whether they have permitted or denied trademark protection for color per se, every court that has considered the matter has agreed with the court of appeals in this case that color depletion is a genuine concern. See, *e.g.*, *Master Distributors, Inc.* v. *Pako Corp.*,

[12] The color depletion argument apparently assumes that if an applicant receives a registration for a color, it could subsequently stop use of any shade of that color or combination with that color. A color mark, however, would not ordinarily be entitled to such broad protection. See *In re Amsted Indus.*, 972 F.2d 1326, 1327 (Fed. Cir. 1992) (trademark consisting of orange encapsulated wire rope not confusingly similar to "bare" wire rope containing an orange strand or orange and black strands). Indeed, affording a needlessly broad scope of protection would be incompatible with the pro-competitive policies of the antitrust and trademark laws.

986 F.2d 219, 223 (8th Cir. 1993); *NutraSweet Co.* v. *Stadt Corp.*, 917 F.2d 1024, 1027-1028 (7th Cir. 1990), cert. denied, 499 U.S. 983 (1991); *Owens-Corning*, 774 F.2d at 1120. As we explain above, however, the threats to competition posed by depletion do not exist in every case, and, based on the district court's findings, they do not appear to exist in this case. See p. 16, *supra*. Cases in which color depletion is a threat can be addressed under a careful application of traditional trademark principles by requiring those who seek trademark protection for a color to demonstrate secondary meaning and—of particular importance—to demonstrate that the color is non-functional.[13] There is no need, and no basis in law, for the creation of a blanket, extra-statutory prohibition of trademark protection for color in order to deal with the threat of color depletion in particular cases.

2. The Ninth Circuit also based its rule against trademark protection for color on the problem of "shade confusion." Pet. App. 7a. Presumably, the Ninth Circuit was concerned that sellers would have difficulty determining when use of a particular shade infringed the trademark of another firm that had rights in a similar shade, and that courts would have difficulty resolving infringement litigation over use of similar shades.

In order to show infringement under ordinary trademark principles, the owner of the mark must establish that the alleged infringer's use of the mark "is likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. 1114(1)(a) and (b). Although it has been said

[13] See *Brunswick*, slip op. 9 ("While disavowing in *Owens-Corning* the color depletion theory as a per se rule, this court nevertheless recognized its applicability in appropriate circumstances."); *Master Distributors*, 986 F.2d at 223 (noting that "allowing a manufacturer to monopolize red 'in all of its shades' would deplete the color choices available," but recognizing that trademark protection for particular shades may be appropriate); *Owens-Corning*, 774 F.2d at 1120 (color depletion "not faulted for appropriate application," but no basis for precluding trademark registration of color in particular case).



that likelihood of confusion "is necessarily a subjective determination," *In re Electrolyte Laboratories, Inc.*, 929 F.2d 645, 647 (Fed. Cir. 1990), courts have made use of a number of devices, including survey evidence[14] and evidence of actual confusion by customers or potential customers,[15] to determine whether there is a "likelihood of confusion" in a variety of circumstances. There is no reason why issues regarding "shade confusion" would be more difficult to determine than the likelihood of confusion in cases involving traditional non-color trademarks. *Owens-Corning*, 774 F.2d at 1123; *Master Distributors*, 986 F.2d at 222.

Indeed, regardless of how this case is decided, courts must resolve problems at least as difficult as the problem of when a particular use of a color creates a likelihood of confusion with an existing color trademark. As the Ninth Circuit acknowledged, it has long been recognized that color is subject to trademark protection when it is "combined in distinctive patterns or designs or combined in distinctive logos." Pet. App. 7a. See also *NutraSweet*, 917 F.2d at 1027; *A. Leschen & Sons Rope Co.* v. *Broderick & Bascom Rope Co.*, 201 U.S. 166, 171 (1906) (color "[d]oubtless" may constitute a valid trademark "if it be impressed in a particular design"). When infringement of such trademarks is alleged, the court must determine not only how the shade of color in the allegedly infringing product compares with the mark, but also how significant the similarity of color is in light of

[14] See, *e.g.*, *Mutual of Omaha Ins. Co.* v. *Novak*, 836 F.2d 397, 400-401 (8th Cir. 1987), cert. denied, 488 U.S. 933 (1988); *Piper Aircraft Corp.* v. *Wag-Aero, Inc.*, 741 F.2d 925, 935 (7th Cir. 1984); *Exxon Corp.* v. *Texas Motor Exchange of Houston, Inc.*, 628 F.2d 500, 506-507 (5th Cir. 1980); *Standard Oil Co.* v. *Standard Oil Co.*, 252 F.2d 65, 74-76 (10th Cir. 1958); *McDonald's Corp.* v. *McBagel's, Inc.*, 649 F. Supp. 1268, 1277-1278 (S.D.N.Y. 1986).

[15] See, *e.g.*, *AmBrit, Inc.* v. *Kraft, Inc.*, 812 F.2d 1531, 1543-1544 (11th Cir. 1986), cert. denied, 481 U.S. 1041 (1987); *World Carpets, Inc.* v. *Dick Littrell's New World Carpets*, 438 F.2d 482, 489 (5th Cir. 1971); *Harold F. Ritchie, Inc.* v. *Chesebrough-Pond's, Inc.*, 281 F.2d 755, 761-762 (2d Cir. 1960).

the overall similarity of design. That endeavor is at least as difficult as addressing "shade confusion" in the case of purely color trademarks. The difficulty of determining when infringement occurs thus provides no basis for excluding protection for color per se when the other prerequisites for trademark protection are satisfied.

3. In deciding that color alone may not be protected as a trademark, the Ninth Circuit also relied on the proposition that "further protection is afforded [for such color marks] by the Lanham Act's unfair competition provisions." Pet. App. 8a.

That protection is, of course, also generally available, and its availability does not justify artificially constricting the scope of protection under the Act's trademark provisions. Moreover, protection against unfair competition under Secton 43(a) of the Lanham Act, 15 U.S.C. 1125(a), is not equivalent to the protection afforded a registered trademark. Unlike trademark protection, Section 43(a) does not give a party the ability to stop the importation of confusingly similar goods by Customs, see 15 U.S.C. 1124; does not give constructive notice of ownership, 15 U.S.C. 1072; does not provide for prima facie evidence of validity and ownership, 15 U.S.C. 1057(b); and does not provide for incontestable status, 15 U.S.C. 1065. Trademark registration thus affords an applicant significant rights not otherwise available under other provisions of the Lanham Act, or under the law generally. Those rights should not be denied based on a per se rule that prohibits registration based on the nature of the mark, where neither the statute nor compelling policy reasons support such a denial.

4. Finally, the Ninth Circuit commented that "the courts of appeals generally have refused to grant trademark protection for color alone." Pet. App. 5a. In recent decisions, the courts of appeals have been gradually abandoning the refusal to permit trademark protection for color alone. The Eighth and Federal Circuits have both recognized that, in appropriate cases, color may be protected as a trademark. See *Owens-Corning*, 774 F.2d at 1123; *Master Distributors*, 986 F.2d at 223. But it is nonetheless true that courts have historically been reluctant to recognize trademark protection for color alone. In our view, that reluctance was based on an interpretation of trademark statutes that were superseded by the Lanham Act and by recent amendments to that Act that have confirmed Congress's intent to permit broad trademark protection for any product feature—including color—that qualifies.



Prior to the Lanham Act, the leading case concerning whether trademark protection could be afforded to color alone was *A. Leschen & Sons Rope Co.* v. *Broderick & Bascom Rope Co.*, 201 U.S. 166 (1906). That case arose from an infringement action by the owner of a registered trademark consisting of a wire rope that included a "distinctively colored streak." *Id.* at 170. The Court held that the trademark was invalid because it was not limited to a streak of some specified color, but instead included a streak of *any* distinctive color. *Id.* at 171. But the Court also commented that "[w]hether mere color can constitute a trade-mark may admit of doubt." *Ibid.*[16] In succeeding years, lower courts frequently cited that statement as support for the proposition that mere color cannot constitute a trademark. See, *e.g.*, *In re Security Engineering Co.*, 113 F.2d 494, 496 (C.C.P.A. 1940) (refusing registration for blue-and-aluminum color for oil well reamers); *In re General Petroleum Corp.*, 49 F.2d 966, 968 (C.C.P.A. 1931) (refusing trademark protection for the color violet for gasoline).

This Court's decision in *Leschen Rope* in 1906 predated the Lanham Act by 40 years. The trademark stat-

[16] The Court also stated that "[c]ertainly a trade-mark could not be claimed of a rope, the entire surface of which was colored." 201 U.S. at 170-171. In context, however, that statement appears not to refer to an attempt to obtain trademark protection for a rope of a *particular* color, but to an attempt to obtain trademark protection for a rope of *any* color.

ute in 1906 did not provide a definition of the term "trademark." See Trade Mark Act of 1905, ch. 592, 33 Stat. 724, 15 U.S.C. 81 *et seq.* (repealed); *Philco Corp. v. Phillips Mfg. Co.*, 133 F.2d 663, 669 (7th Cir. 1943). Courts therefore applied the common law understanding of the term, under which only "technical" trademarks—*i.e.*, trademarks that contained no descriptive content at all—could be protected. Most marks that were descriptive could not be registered despite their acquisition of secondary meaning. See note 5, *supra.*

In 1946, the Lanham Act changed the legal landscape substantially. The Act included a new, very broad definition of "trademark," as well as a specific prohibition—qualified only by exceptions not applicable here—on refusing registration "on account of [the] nature" of a mark. Ch. 540, §§ 2, 45, 60 Stat. 428, 443. See pp. 6-9, *supra.* As discussed above, the Lanham Act's provisions were designed "to dispense with mere technical prohibitions and arbitrary provisions." S. Rep. No. 1333, *supra,* at 3. Accordingly, the Act superseded prior common law doctrines that limited the categories of product features that could receive trademark protection.

Congress confirmed the principle that any product feature that can satisfy the requirements of the trademark laws can receive trademark protection when it reenacted and amended the Lanham Act in 1988. Trademark Law Revision Act of 1988, Pub. L. No. 100-667, Tit. I, 102 Stat. 3935. Three years previously, the Federal Circuit in *Owens-Corning* had affirmed the ruling of the Trademark Trial and Appeal Board (TTAB) that a color may be protected as a trademark, a ruling that received wide attention in the legal community.[17] The Senate

[17] See, *e.g.*, Janet R. Hubbard, Note, *Think Pink! Color Can Be A Trademark,* 43 Wash. & Lee L. Rev. 1433 (1986); Lawrence D. Grewach, Recent Case, In re Owens-Corning Fiberglas Corp.: *The Federal Circuit Puts Owens-Corning "In the Pink"*, 35 Am. U. L. Rev. 1221 (1986); Brian Richard Henry, *Right Hat, Wrong Peg: In re Owens-Corning Fiberglas Corporation and the Demise of the Mere Color Rule,* 76 Trademark Rep. 389 (1986).



report accompanying the legislation stated that "[t]he revised definition [of 'trademark'] intentionally retains * * * the words 'symbol or device' *so as not to preclude the registration of colors,* shapes, sounds or configurations where they function as trademarks." S. Rep. No. 515, 100th Cong., 2d Sess. 44 (1988) (emphasis added).

The terms and legislative history of the Lanham Act and the 1988 amendments thus make clear that Congress intended to eliminate previous arbitrary restrictions on the types of product features that can receive trademark protection. There is no longer any basis in the statute to exclude color per se from trademark protection. The Ninth Circuit's adherence to an extra-statutory restriction is no longer justifiable.

### C. If This Court Finds The Statute Ambiguous Or Silent On The Subject, Deference Should Be Given To The PTO's Interpretation Of The Lanham Act

As we argue above, the Lanham Act unambiguously permits trademark protection for color alone, where other appropriate legal requirements for trademark protection are satisfied. Even if the Act were ambiguous or simply failed to speak to the issue, however, it would be appropriate to defer to the PTO's construction of it. Since at least 1984, the PTO has interpreted the Lanham Act to permit trademark protection for color alone. Because that interpretation is, at the very least, a permissible one, the Ninth Circuit should have deferred to it and recognized the validity of petitioner's trademark.

1. "Judicial deference to reasonable interpretations by an agency of a statute that it administers is a dominant, well settled principle of federal law." *National Railroad Passenger Corp.* v. *Boston & Maine Corp.*, 112 S. Ct. 1394, 1401 (1992). This Court explained in *National Railroad Passenger Corp.* that

> when a court is reviewing an agency decision based on a statutory interpretation, "if the statute is silent or ambiguous with respect to the specific issue, the question for the court is whether the agency's answer is based on a permissible construction of the statute." *Chevron U.S.A.* [*Inc.* v. *Natural Resources Defense Council, Inc.*, 467 U.S. 837, 843 (1984)]. If the agency interpretation is not in conflict with the plain language of the statute, deference is due. *K Mart Corp.* [v. *Cartier, Inc.*, 486 U.S. 281, 292 (1988)].

*Ibid.*

Because the PTO administers the Lanham Act, its construction of the Act is entitled to deference. Congress has delegated authority to the Commissioner of Patents and Trademarks to examine trademarks and to determine their registrability. 15 U.S.C. 1062. When the Commissioner issues a registration, the "certificate of registration of a mark upon the principal register provided by th[e] [Act] shall be prima facie evidence of the validity of the registered mark." 15 U.S.C. 1057(b). Under Section 15 of the Lanham Act, 15 U.S.C. 1065, the right of a registrant to use a registered trademark becomes incontestable, with certain exceptions, after the mark has been in continuous use for five consecutive years after registration. See generally *Park 'N Fly, Inc.* v. *Dollar Park & Fly, Inc.*, *supra*. The PTO occupies a similar role with respect to the Lanham Act as that of other agencies that have been granted deference in construing statutes entrusted to them to administer. See, *e.g.*, *Northwest Airlines, Inc.* v. *County of Kent*, 114 S. Ct. 855, 863 (1994) (Secretary of Transportation); *National Railroad Passenger Corp.*, 112 S. Ct. at 1398, 1401 (Interstate Commerce Commission); *Lechmere, Inc.* v. *NLRB*, 112 S. Ct. 841, 847 (1992) (NLRB). Thus, deference is due to the PTO's construction of the Lanham Act. See *Eastman Kodak Co.* v. *Bell & Howell Document Mgmt. Prods. Co.*, 994 F.2d 1569 (Fed. Cir. 1993) (applying *Chevron* analysis to the



TTAB's interpretation of the Lanham Act in other than a rule-making context).

2. Historically, the PTO maintained that color applied in an arbitrary pattern to goods or packaging for goods, as distinguished from overall product color, could be registered as a trademark. It was thought, however, that color per se was not registrable. See, *e.g.*, *In re Ritchie Mfg. Co.*, 170 U.S.P.Q. 291, 292 (T.T.A.B. 1971); *In re Shaw*, 184 U.S.P.Q. 253, 255 (T.T.A.B. 1974). As trade practices progressed, the PTO's view on the registrability of color per se also evolved. In *Owens-Corning*, the TTAB concluded that there is no absolute ban on registering overall color as a trademark.[18] *In re Owens-Corning Fiberglas Corp.*, 221 U.S.P.Q. 1195, 1198 (T.T.A.B. 1984). The Board also expressly rejected the color depletion argument, stating:

> In considering the weakness of the "color depletion" theory * * * we are not so much impressed by the idea that there are many shades of color that might function as trademarks as we are by the notion that the color depletion argument is premised on a competitive need that may not exist. Thus, in a case where there is no competitive need (whether characterized as "aesthetic" or otherwise) for colors to remain available to all competitors, the color depletion argument is an unreasonable restriction on the acquisition of trademark rights.

*Ibid.*[19] On appeal, the Federal Circuit agreed, stating that "[t]he Board's conclusion that there is no inherent bar to

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[18] The TTAB includes a number of specified PTO officials, including the Commissioner. 15 U.S.C. 1067. A party dissatisfied with the decision of the Board may take an appeal to the Federal Circuit or file a civil action in a district court. 15 U.S.C. 1071.

[19] In a portion of its decision later overturned by the Federal Circuit, see 774 F.2d at 1124-1128, the TTAB found that Owens-Corning had introduced insufficient evidence that the color pink,

trademark registration of the color of goods, when the color is an overall color rather than in the form of a design, is in harmony with modern trademark theory and jurisprudence." *Owens-Corning*, 774 F.2d at 1118.

In the intervening period, the PTO has clearly set forth its trademark examination policy regarding the registrability of color marks:

> [C]olor can function as a trademark if it is used on the goods in the manner of a trademark and if it is perceived by the purchasing public as identifying and distinguishing the goods on which it is used and indicating their source.

*Trademark Manual of Examining Procedure* § 1202.04(e), at 1202-13 (2d ed. 1993). However, "registration is refused irrespective of any showing of acquired distinctiveness if there is a competitive need for colors to remain available in the industry" or "[i]f the proposed mark identifies a color which is functional," such that it "serves a utilitarian purpose or yields a utilitarian or functional advantage." *Ibid.*

The PTO has consistently applied its policy in determining registrability of color per se. See, *e.g.*, *Cooper Indus., Inc.* v. *Channellock, Inc.*, 788 F. Supp. 873, 877 (W.D. Pa. 1992) (denying summary judgment seeking cancellation of registration for blue applied to hand tools); *Edward Weck Inc.* v. *IM Inc.*, 17 U.S.P.Q.2d 1142, 1145 (T.T.A.B. 1990) (holding that "[t]here is no inherent bar to trademark registration of the overall color of goods," but denying registration of green applied to surgical instruments for lack of acquired distinctiveness); *In re Eagle Fence Rentals, Inc.*, 231 U.S.P.Q. 228, 230-231 (T.T.A.B. 1986) (granting registration of alternately colored wire strands arranged vertically in chain-link fencing on the basis that color functioned as ornamentation which is registrable absent functionality upon a showing of acquired distinctiveness).

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as applied to its insulation, had acquired distinctiveness. 221 U.S.P.Q. at 1199.



3. In the instant case, the Ninth Circuit recognized that a statutory presumption of validity is accorded to a certificate of registration under the Lanham Act, 15 U.S.C. 1057(b). But the Ninth Circuit failed to accord any deference to the PTO's determination that petitioner's mark is registrable or to its interpretation of the Lanham Act. Rather, the Ninth Circuit chose to substitute what it believed to be "the better rule" for the PTO's statutory interpretation. In doing so, the Ninth Circuit failed to give due deference to the expertise of the PTO.

## CONCLUSION

The judgment of the Ninth Circuit on petitioner's trademark claims should be reversed, and the case should be remanded for further proceedings.

Respectfully submitted.

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No. 93-1577

IN THE

# Supreme Court Of The United States

October Term, 1994

QUALITEX COMPANY,

*Petitioner,*

v.

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

## BRIEF OF AMICUS CURIAE THE CROSBY GROUP, INC. IN SUPPORT OF THE PETITIONER, QUALITEX COMPANY

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## TABLE OF CONTENTS


| | Page |
|---|---|
| INTEREST OF AMICUS CURIAE . . . . . | 1 |
| SUMMARY OF ARGUMENT . . . . . | 5 |
| ARGUMENT . . . . . | 5 |
| BECAUSE JUSTIFIED, LONG-HELD EXPECTATIONS ARE AT STAKE, THIS COURT SHOULD ALLOW THE ESTABLISHED PRACTICE OF THE U.S. PATENT AND TRADEMARK OFFICE UNDER THE FEDERAL TRADEMARK ACTS TO STAND . . . . . | 5 |
| I. CROSBY'S RELIANCE ON ITS FEDERAL TRADEMARK REGISTRATION FOR THE COLOR RED FOR OVER SEVENTY-TWO YEARS HAS BEEN JUSTIFIED . . . . . | 5 |
| II. BECAUSE CROSBY HAS ADVERTISED ITS PRODUCTS AND BUILT ITS BUSINESS IN RELIANCE ON ITS FEDERAL TRADEMARK REGISTRATIONS, AFFIRMANCE OF THE NINTH CIRCUIT WOULD SERIOUSLY INJURE BOTH CROSBY AND THE PUBLIC . . . . . | 8 |
| CONCLUSION . . . . . | 9 |
| APPENDIX A REGISTRATION NO. 156,609 . . | 1A |
| APPENDIX B REGISTRATION NO. 1,808,786 . | 1B |
| APPENDIX C REGISTRATION NO. 1,822,312 . | 1C |
| APPENDIX D REGISTRATION NO. 810,765 . . | 1D |

## TABLE OF AUTHORITIES


| Cases | Page |
|---|---|
| *James Heddon's Sons v. Millsite Steel Wire Works, Inc.*, 128 F.2d 6 (6th Cir. 1942) | 6 |
| *Park 'n Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985) | 6 |
| *Quill Corporation v. North Dakota*, ___ U.S. ___, 112 S. Ct. 1904 (1992) | 8 |
| *Standard Paint Company v. Trinidad Asphalt Manufacturing Company*, 220 U.S. 446 (1911) | 6 |
| **Statutes** | |
| 15 U.S.C.A. § 1051, *et seq.* (West 1982 & Supp. 1994) | 6 |
| 15 U.S.C.A. §§ 1062, 1065 (West 1982 & Supp. 1994) | 7 |
| 15 U.S.C.A. § 1115(a) (West 1982 & Supp. 1994) | 7 |
| Federal Trademark Act of 1905, 33 Stat. 724, *et seq.* | 5 |
| Federal Trademark Act of 1905, § 5 | 6 |
| Federal Trademark Act of 1905, § 6 | 6 |
| Federal Trademark Act of 1905, §§ 16, 17 | 6 |
| Trademark (Lanham) Act of 1946, § 46(b) | 6 |
| **U.S. Constitution** | |
| U.S. Const. art. I, § 8, cl. 3 | 8 |
| **Legislative History** | |
| S. Rep. No. 100-515, 100th Cong., 2d Sess. (1988) | 7 |


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## BRIEF OF AMICUS CURIAE THE CROSBY GROUP, INC. IN SUPPORT OF THE PETITIONER, QUALITEX COMPANY

### INTEREST OF AMICUS CURIAE[1]

In 1882, Oliver Crosby and Frank Johnson founded American Hoist and Derrick Company,[2] a repair business for heavy mining and other equipment. Over time, American Hoist began to manufacture and sell heavy lifting equipment and the hardware items needed to make the equipment operational, such as hooks, grabs, blocks and sheaves. The manufacture and sale of the hardware were eventually consolidated in a subsidiary of

[1] The Crosby Group, Inc. has obtained the written consent of Qualitex Co. and Jacobson Products Co., Inc. to the filing of this *amicus curiae* brief. Original consent letters from the parties have been lodged with the Court.

[2] American Hoist and Derrick Company eventually become AMHOIST, and then became AMDURA Corporation. For simplicity, the name "American Hoist" is used in this brief.

American Hoist, which subsidiary today is named The Crosby Group, Inc. ("Crosby").[3]

Crosby is now the leading producer in the United States and Canada of blocks, sheaves and forged fittings for wire rope and chain. It is headquartered in Tulsa, Oklahoma, employs over 900 people, and has 2600 distributors worldwide selling over 5000 standard products. Crosby also manufactures and sells certain custom products, such as the blocks used to lift NASA space shuttles onto the backs of Boeing 747 carrier jets.

In the early years of Crosby, Oliver Crosby and Frank Johnson developed a forged base U-bolt wire rope clamp (known as the Crosby Clip) that soon became a standard in the industry. At least as early as 1921, Crosby began to paint the U-bolt of the clamp a shade of bright red to distinguish the clamp from the clamps of competitors, and to indicate the source of the clamp. On July 11, 1922, the U.S. Patent and Trademark Office (the "USPTO") granted a federal trademark registration[4] for the red U-bolt for rope clamps. This registration was accorded "incontestable" status in 1954.

Crosby has consistently emphasized that the red color of its U-bolt indicates a source of high quality wire rope clamps. For example, a 1968 catalog advertising the wire rope clamps stated that "Only genuine Crosby Clips have a Red U-BOLT for instant recognition and your assurance of safer wire rope fastenings." Centered on the covers of Crosby's 1992 and 1994 color catalogs[5] is a three by six inch photograph of a wire rope clamp having a red U-bolt stamped "TRADEMARK/

[3] For simplicity, when used herein in a historical sense "Crosby" denotes The Crosby Group, Inc., its wholly-owned subsidiaries, and its predecessors in interest in the hardware business, including American Hoist.

[4] *See* Appendix A, which is a copy of Registration No. 156,609.

[5] The color catalog constitutes Crosby's largest advertising expenditure. Crosby spends over a half a million dollars annually producing and distributing 60,000 to 70,000 copies of the catalog worldwide.



REDU-BOLT/REG. U.S. PAT. OFFICE."[6] Last year, Crosby's sales of red U-bolt wire rope clamps exceeded several million dollars. Crosby believes that the success of its wire rope clamps is in large part a result of consumer recognition of the red U-bolt as indicating a source of high quality products.

Due in part to the value of and recognition accorded the red U-bolt trademark and to the "incontestable" status accorded its registration, Crosby has also used other color trademarks. For example, at least as early as 1956 Crosby began to paint its shackle pins a bright shade of red, and at least as early as 1959 Crosby began to paint its blocks bold shades of blue and orange. Thereafter the source-indicative nature of such colors was emphasized repeatedly by Crosby. For example, Crosby's 1968, 1981 and 1984 catalogs stated, in connection with the advertisement of shackle pins, "LOOK FOR THE RED COLOR...MARK OF GENUINE [CROSBY] QUALITY." On December 7, 1993 the USPTO issued a federal trademark registration[7] to Crosby for the colors blue and orange for metal rope blocks with assembled hook or shackle, and on February 22, 1994 the USPTO issued a registration[8] to Crosby for the color red for metal hardware, namely shackles containing metal pins.[9] Last year Crosby had sales of each of these products of several million dollars, and it believes that the products' sales success is due in part to the source recognition engendered by the color trademarks.

[6] Crosby has federal trademark registrations both for the red U-bolt and for the phrase "RED U-BOLT".

[7] *See* Appendix B, which is a copy of Registration No. 1,808,786.

[8] *See* Appendix C, which is a copy of Registration No. 1,822,312.

[9] Crosby recently purchased certain assets of E. D. Bullard Company of Sausalito, California, including a federal trademark registration issued July 5, 1966 for the color gold for safety hoist hooks. *See* Appendix D, which is a copy of Registration No. 810,765.

Because of the mature nature of Crosby's product line, it is often very difficult for Crosby to obtain patents or other types of proprietary rights in its products. Therefore, Crosby must, and does, rely heavily on its trademarks. For over 72 years, Crosby has relied upon the use and registrability of color as a trademark in ordering its business, both domestically and internationally. Crosby has spent, and continues to spend, considerable sums to paint products that otherwise could be sold in their natural metallic colors.[10] Crosby's colors have become well known trademarks throughout the world. If this Court affirms the Court of Appeals for the Ninth Circuit, Crosby will lose valuable, long-held rights that are essential to Crosby in distinguishing its products in the U.S. marketplace.

The public has come to rely upon the color marks of Crosby as one means of insuring that they are purchasing high-quality lifting hardware. Crosby's federal trademark registrations are one of its most effective tools in preventing the importation of inferior knock-off products into the United States. Without its federal registrations, Crosby will be less able to prevent such importation, and the public, understandably believing such products to be Crosby hardware after so many years of exclusive Crosby use of certain colors, may be deceived into buying them. Should such knock-off hardware fail, expensive property damage, serious injury and even death could be the consequences. It is Crosby that would bear the backlash of the resulting negative consumer perceptions.

For the foregoing reasons, Crosby urges this Court to reverse the Court of Appeals for the Ninth Circuit.

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[10] The expense has not been merely that of purchasing the paint and painting the products, but also that of paying employees to continually check the shades of paint received from paint manufacturers to ensure a consistent color appearance for Crosby products.



## SUMMARY OF ARGUMENT

For over 72 years Crosby has reasonably relied upon its federal trademark registration for a red U-bolt for rope clamps. The USPTO examined and registered the trademark in 1922, Congress extended the benefits of the Lanham Act to Crosby's registration in 1946, and the USPTO accorded the registration "incontestable" status under the Lanham Act in 1954. Crosby has spent considerable sums both applying and advertising the red U-bolt registered trademark, and applying and advertising other color trademarks it began to use after the red U-bolt registered trademark became "incontestable". An affirmance of the Court of Appeals for the Ninth Circuit by this Court would strip Crosby of its "incontestable" registration and would greatly reduce the value of all of its now-registered color trademarks. It would also deprive the public of its ability to identify quickly a superior product. Crosby accordingly urges this Court to hold that the Lanham Act does not prohibit the registration of color.

## ARGUMENT

### BECAUSE JUSTIFIED, LONG-HELD EXPECTATIONS ARE AT STAKE, THIS COURT SHOULD ALLOW THE ESTABLISHED PRACTICE OF THE U.S. PATENT AND TRADEMARK OFFICE UNDER THE FEDERAL TRADEMARK ACTS TO STAND

### I. CROSBY'S RELIANCE ON ITS FEDERAL TRADEMARK REGISTRATION FOR THE COLOR RED FOR OVER SEVENTY-TWO YEARS HAS BEEN JUSTIFIED

On October 18, 1921, American Hoist filed a trademark application with the USPTO for a red U-bolt for rope clamps. The application was examined by the USPTO, the trademark was published, and on July 11, 1922 it was registered pursuant to the Federal Trademark Act of 1905, 33 Stat. 724 (hereinafter the "Act of 1905"). The federal registration accorded American

Hoist the right to sue infringers in the federal courts, and the registration was *prima facia* evidence of ownership and carried a presumption of validity. Act of 1905, §§ 16, 17, 33 Stat. at 728-29; *James Heddon's Sons v. Millsite Steel & Wire Works, Inc.*, 128 F.2d 6, 9 (6th Cir. 1942).

Crosby made the registered red color one of the corner-stones of its marketing efforts, consistently emphasizing the source-indicative nature of the red U-bolt and spending money to advertise that nature. The trademarked red color of the U-bolt has repeatedly been highlighted in Crosby's catalogs as an indication of source and quality, including the aforementioned feature on the covers of the1992 and 1994 catalogs.

Reliance upon the federal registration has been justified. Registration of a trademark under the Act of 1905 involved an examination of the trademark to determine, among other things, that the trademark was not merely descriptive. Act of 1905, § 5, 33 Stat. at 725-26; *see Standard Paint Company v. Trinidad Asphalt Manufacturing Company*, 220 U.S. 446, 452-55 (1911). The trademark also was published in the Official Gazette of the Patent Office (the "Official Gazette") to give interested parties an opportunity to oppose the registration. *Id.* at § 6. It was reasonable for Crosby to assume that the USPTO had properly examined Crosby's red U-bolt trademark pursuant to its authority under the Act of 1905.

In 1946, Congress passed the Trademark (Lanham) Act of 1946, 15 U.S.C. § 1051, et seq. (hereinafter the "Lanham Act"). The Lanham Act had as its goal that trademarks receive nationally the greatest protection that they could be given. *See Park 'n Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 193 (1985). The Lanham Act provided for the renewal of any trademarks registered under the Act of 1905, and provided that trademarks so renewed were entitled to the benefits of the Lanham Act. Lanham Act, ch. 540, § 46(b), 60 Stat. 427, 444-46 (1946). Passage of the Lanham Act accordingly meant



that Crosby's trademark registration for the red U-bolt was thereafter *prima facia* evidence of the validity of the trademark and the registration. *See* 15 U.S.C.A. § 1115(a) (West 1982 & Supp. 1994). The Lanham Act also included a procedure whereby a trademark registered under the Act of 1905 could become "incontestable". *See* 15 U.S.C.A. §§ 1062, 1065 (West 1982 & Supp. 1994). Pursuant to that procedure, Crosby's red U-bolt trademark was again published in the Official Gazette, giving any interested party five years from the publication date to file a petition to cancel the registration. Upon the expiration of five years and the acceptance of an affidavit of continuous use from Crosby, Crosby was notified in 1954 by the USPTO that its registration had become "incontestable".

In 1988, Congress amended the definition of "trademark" in the Lanham Act, but "intentionally retain[ed] ... the words 'symbol or device' so as not to preclude the registration of colors ... where they function as trademarks." S. Rep. No. 100-515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607.

Crosby has reasonably relied upon the administrative actions of the USPTO, both in 1922 when the trademark for the red U-bolt was registered under the Act of 1905, and in 1954 when the USPTO notified Crosby that its registration had become "incontestable" under the Lanham Act. Crosby asks that this Court not undo these administrative actions decades after the fact.

Crosby also has reasonably relied upon the actions of Congress, both in 1946 when Congress extended the benefits of the Lanham Act to the Act of 1905 registrations, and in 1988 when it amended the Lanham Act definition of "trademark" but explicitly kept the definition broad enough to include color. Congress undoubtedly is aware of the USPTO practice regarding the registration of color, and may use its Commerce Clause

(U.S. Const. art. I, § 8, cl. 3) power to modify that practice if it believes such a modification is necessary.

The registration of color trademarks is thus an area of the law wherein there is a longstanding administrative practice and wherein Congress has the power to regulate that practice as it sees fit. In such a situation, this Court should be particularly hesitant to adversely affect the reliance interests of affected parties.[11]

## II. BECAUSE CROSBY HAS ADVERTISED ITS PRODUCTS AND BUILT ITS BUSINESS IN RELIANCE ON ITS FEDERAL TRADEMARK REGISTRATIONS, AFFIRMANCE OF THE NINTH CIRCUIT WOULD SERIOUSLY INJURE BOTH CROSBY AND THE PUBLIC

If this Court were to affirm the Court of Appeals for the Ninth Circuit and rule that the Lanham Act prohibits the registration of color, Crosby would lose rights on which it has relied for 72 years. Crosby would lose the right to advance its registration as *prima facia* evidence both of its ownership of, and the validity of, a trademark that has become a cornerstone of its marketing efforts. The red U-bolt trademark would lose the "incontestable" status it has held for 40 years. The registrations for red for shackle pins, blue and orange for blocks, and gold for safety hoist hooks that Crosby has more recently obtained would be lost. Most importantly, Crosby's international marketing plan would be dealt a substantial blow in the United States, Crosby's single largest market.

In addition, the consumer recognition built by Crosby's investment over the years in its trademarked products soon

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[11] *Cf. Quill Corporation v. North Dakota*, ___ U.S. ___, 112 S. Ct. 1904, 1916 (1992) (refusing to overrule judicial precedent that had engendered substantial reliance because Congress had the power to overrule the precedent pursuant to its Commerce power).



would be seriously diminished, both to Crosby's and the public's detriment. The public has come to rely upon the Crosby color schemes as being indicative of high quality products. If Crosby were to be stripped of one of its most effective tools for preventing low quality importers from copying its color schemes, the public could be directly harmed by confusing, inferior goods.

## CONCLUSION

For the foregoing reasons, The Crosby Group, Inc. requests that the judgment of the Court of Appeals for the Ninth Circuit be reversed.

Respectfully submitted,

/s/ ROBERT D. YEAGER

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November 8, 1994

# APPENDIX A

# UNITED STATES PATENT OFFICE.

AMERICAN HOIST & DERRICK CO., OF ST. PAUL, MINNESOTA.

## TRADE-MARK FOR ROPE CLAMPS.

ACT OF FEBRUARY 20, 1905.

156,609. Registered July 11, 1922.

Application filed October 18, 1921. Serial No. 154,256.

## STATEMENT.

*To all whom it may concern:*

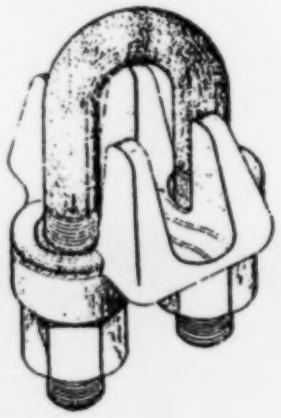
Be it known that AMERICAN HOIST & DERRICK CO., a partnership located in the city of St. Paul, county of Ramsey, State of Minnesota, and doing business 63 South Robert Street, in said city, and composed of OLIVER CROSBY, F. J. JOHNSON, and W. O. WASHBURN, all of St. Paul, in said county and State, has adopted and used the trade-mark shown in the accompanying drawing, no claim being made to the representation of a rope clamp, the trade-mark consisting of a red U-bolt, for rope clamps, in Class 23, Cutlery, machinery, and tools, and parts thereof.

The trade-mark has been continuously used in the business of said corporation since the 27" day of August, 1921.

The trade-mark is applied or affixed to the goods by painting or otherwise coating a surface thereof.

AMERICAN HOIST & DERRICK CO.,
By W. O. WASHBURN,
*Managing Partner.*

1A



## DECLARATION.

State of Minnesota, county of Ramsey s.s.

W. O. WASHBURN, being duly sworn, deposes and says that he is a partner of the AMERICAN HOIST & DERRICK CO., a partnership, the application named in the foregoing statement; that he believes the foregoing is true; that he believes said partnership is the owner of the trade-mark sought to be registered; that no other person, firm, corporation or association, to the best of his knowledge and belief, has the right to use said trade-mark in the United States, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that said trade-mark is used by said partnership in commerce among the several States of the United States; that the description and drawing presented truly represent the trade-mark sought to be registered; and that the specimens show the trade-mark as actually used upon the goods.

W. O. WASHBURN.

Subscribed and sworn to before me this 30th day of September, 1921.

[L. S.] GEO. J. KELLNER,
*Notary Public.*

PUBLISHED
Under Sec. 12 (c) 1946 Act
12-14-48

COMR. APP. SEC. 8 & 15....
3-1-54

Int. Cl. 6

# APPENDIX B

Int. Cl.: 6

Prior U.S. Cl.: 13

# United States Patent and Trademark Office

Reg. No. 1,808,786
Registered Dec. 7, 1993

## TRADEMARK
## PRINCIPAL REGISTER

1B

CROSBY GROUP, INC., THE (MINNESOTA CORPORATION)
2801 DAWSON ROAD
TULSA, OK 74110

FOR: METAL ROPE BLOCKS WITH ASSEMBLED HOOK OR SHACKLE, IN CLASS 6 (U.S. CL. 13).

FIRST USE 0-0-1959; IN COMMERCE 0-0-1959.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE THE REPRESENTATION OF A BLOCK WITH ASSEMBLED HOOK OR SHACKLE , APART FROM THE MARK AS SHOWN.

THE DRAWING IS LINED FOR THE COLORS OF BLUE AND ORANGE.

THE MATTER SHOWN BY DOTTED LINES IS NOT A PART OF THE MARK AND NO CLAIM IS MADE TO IT.

SEC. 2(F).

SER. NO. 74-189,342, FILED 7-29-1991.

TERESA M. RUPP, EXAMINING ATTORNEY

# APPENDIX C

Int. Cl.: 6

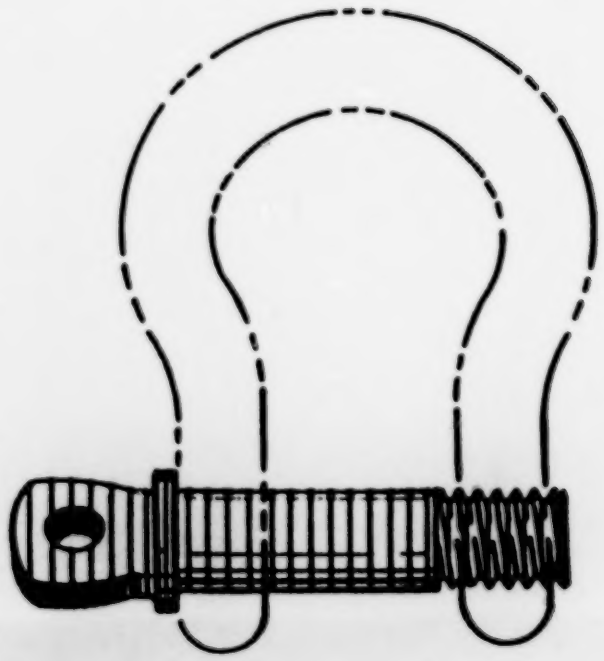
Prior U.S. Cl.: 13

# United States Patent and Trademark Office

Reg. No. 1,822,312

Registered Feb. 22, 1994

## TRADEMARK
### PRINCIPAL REGISTER



IC

CROSBY GROUP, INC., THE (MINNESOTA CORPORATION)
2801 DAWSON ROAD
TULSA, OK 74110

FOR: METAL HARDWARE; NAMELY, SHACKLES CONTAINING METAL PINS, IN CLASS 6 (U.S. CL. 13).

FIRST USE 0-0-1956; IN COMMERCE 0-0-1956.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE THE REPRESENTATION OF THE SHACKLES, APART FROM THE MARK AS SHOWN.

THE DRAWING IS LINED FOR THE COLOR RED.

THE MARK CONSISTS OF THE COLOR RED FOR PINS FOR SHACKLES.

SER. NO. 74-294,154, FILED 7-14-1992.

TERESA M. RUPP, EXAMINING ATTORNEY

# APPENDIX D

# United States Patent Office

810,765
Registered July 5, 1966

## PRINCIPAL REGISTER
## Trademark

Ser. No. 214,426, filed Mar. 18, 1965

1D

E. D. Bullard Company (California corporation)
2680 Bridgeway
Sausalito, Calif.

For: SAFETY HOIST HOOKS, in CLASS 23.

First use January 1965; in commerce January 1965.

Applicant makes no claim to the configuration of the goods. The mark consists of the latch member comprising the safety hook colored gold. The drawing is lined gold.

Int. Cl. 6

COMB. AFF. SEC 9 & 15

2/1/72

Supreme Court, U.S.
FILED
NOV 8 1994
OFFICE OF THE CLERK

No. 93-1577

IN THE
# Supreme Court of the United States
OCTOBER TERM, 1994

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QUALITEX COMPANY,
*Appellant,*
v.
JACOBSON PRODUCTS CO., INC.,
*Appellee.*

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**On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit**

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## BRIEF OF DR PEPPER/SEVEN-UP CORPORATION AS *AMICUS CURIAE* IN SUPPORT OF APPELLANT

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November 8, 1994

WILSON - EPES PRINTING CO., INC. - 789-0096 - WASHINGTON, D.C. 20001

BEST AVAILABLE COPY

## QUESTION PRESENTED

I. Whether the Lanham Act prohibits the registration of color as a trademark.

## TABLE OF CONTENTS


| | Page |
|---|---|
| QUESTION PRESENTED | i |
| TABLE OF AUTHORITIES | iv |
| INTEREST OF THE *AMICUS CURIAE* | 1 |
| SUMMARY OF ARGUMENT | 3 |
| ARGUMENT | 4 |
| I. WHAT IS A TRADEMARK? | 4 |
| II. COLOR AS A TRADEMARK | 8 |
| A. Is Color a Device? | 8 |
| B. Can Color Identify and Distinguish Goods and Services and Indicate Their Source? | 9 |
| III. COLOR AS A REGISTRABLE TRADEMARK | 11 |
| A. The Plain Language of the Lanham Act Permits Registration of Color Trademarks | 11 |
| B. The Law's Evolutionary Nature Requires Reversal of the Ninth Circuit's Decision | 15 |
| CONCLUSION | 19 |

## TABLE OF AUTHORITIES

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*Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985) ..... 12
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## TABLE OF AUTHORITIES—Continued

Page

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STATUTES

S. Rep. No. 100-515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577 .... 9
S. Rep. No. 1333, 79th Cong., 2d Sess. 5 (1946) .... 4, 12
15 U.S.C. § 1051 ..... 2
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IN THE
# Supreme Court of the United States
OCTOBER TERM, 1994

No. 93-1577

QUALITEX COMPANY,
*Appellant,*
v.
JACOBSON PRODUCTS CO., INC.,
*Appellee.*

**On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit**

## BRIEF OF DR PEPPER/SEVEN-UP CORPORATION AS *AMICUS CURIAE* IN SUPPORT OF APPELLANT

### INTEREST OF THE *AMICUS CURIAE*

The *amicus*, Dr Pepper/Seven-Up Corporation ("Dr Pepper"), is an international manufacturer and distributor of soft drink products and enjoys substantial goodwill and renown for these products. Dr Pepper has generated and fostered its national and international goodwill and renown of its **DR PEPPER** brand products through, among other devices, the use of its unique maroon color. This color serves as a distinctive symbol of Dr Pepper's national and international goodwill and renown. The color serves to distinguish Dr Pepper's products from those of its competitors. It assists the present day consumer in expediting the shopping process when purchasing **DR PEPPER**. This is particularly true in our multilingual world, where color as a trademark is a uni-

versal language, especially in the realm of consumer products.

Dr Pepper has a compelling interest in legal issues concerning the scope of trademark rights under the Lanham Act (15 U.S.C. § 1051 *et seq.*) in general, and the protectability of color *per se* under the Act in particular. This case involves fundamental issues of statutory interpretation of the Act and whether color, an important visual stimulus in distinguishing consumer products, can be protected under the Act. The *per se* rule prohibiting registration of color under the Lanham Act stated in the opinion of the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") below in *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297 (CA9 1994) *cert. granted*, 129 L.Ed.2d 935 (U.S. 1994) (No. 93-1577), threatens and obstructs the ability of Dr Pepper to enjoy the benefit of its proprietary rights in its distinctive maroon color. That decision also weakens Dr Pepper's ability to defend its corresponding goodwill.

Moreover, the Ninth Circuit's blanket prohibition of registration of color *per se* unduly restricts the statutory language of the Lanham Act in a manner that violates both the language and intent of the Act. Without any statutory basis, the *Qualitex* court relegates color as a mark and symbol of goodwill to a "nether region", wholly apart from registrable marks, by articulating a *per se* standard precluding protection of color alone that is separate from the statutory standard for all other species of marks. Such a judge-made exclusion ignores this Court's interpretation of the Act stated in *Two Pesos, Inc. v. Taco Cabana, Inc.*, —— U.S. ——, 112 S. Ct. 2753 (1992). This Court's interpretation makes clear that unless a particular species of mark is excluded from the Act, any mark which has become distinctive of a company's goods or services in commerce may properly be considered for registration. *Id.* at ——, 112 S. Ct. at 2757. Accordingly, color, if distinctive of a company's goods or services in commerce, may be considered for registration.



Dr Pepper takes no position on the issue of whether Appellant's color mark was entitled to registration under the Lanham Act and was properly registered. Dr Pepper believes, however, that the language of the Lanham Act clearly provides that color marks may be registered when the statutory requirements for registration are satisfied. Hence, the *Qualitex* ruling of the Ninth Circuit, if permitted to stand, will limit one of Dr Pepper's fundamental and valuable proprietary rights. It will also subject Dr Pepper and other companies possessing a proprietary interest in a color alone from enjoying an ability to enforce such interests uniformly throughout the United States. As a consequence, hard-won goodwill will be easily diverted and lost. In addition, a universally effective means of distinguishing one company's goods or services from those of another will be rendered ineffective.

## SUMMARY OF ARGUMENT

The definition of the term "trademark" under the Lanham Act contains no express or implied restriction prohibiting color *per se* as a device from being a trademark. This broad, permissive definition comports with not only the Congressional mandate which is embodied in the Lanham Act, but also is consistent with the reality of the marketplace today, where time is at a premium and competition for consumer attention and confidence is burgeoning.

Because color may be a trademark, it must also be registrable upon the principal register created by Congress to facilitate the national protection of trademarks as commercial symbols. To hold otherwise would do violence to both consumers who would be subjected to confusion as well as to those who invest in color as an indicium of origin of their products or services.

## ARGUMENT

Before the Court today is the question of whether the Lanham Act prohibits the registration of color as a trademark. The definition of a trademark is squarely at issue. The Court must determine whether color as a device is protected under the Act, or whether past notions and precepts espoused under different times and circumstances should compel a strained interpretation of the Act to exclude color from registrability. Such an interpretation and application of the Lanham Act denies the law its plain meaning and precludes its application to the current realities of the marketplace.

### I. WHAT IS A TRADEMARK?

A trademark serves many purposes which benefit both consumers who purchase goods or services as well as the companies who offer goods or services for sale.

> Full and fair competition requires that those who invest time, money and energy into the development of goodwill and a favorable reputation be allowed to reap the advantages of their investment. (Citations omitted.) As the legislative history of the Lanham Act states:
>
> > Trade-marks, indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not. Senate Report No. 1333, 1946 U.S. Code Cong. Serv., p. 1275.



*Truck Equipment Service Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1215 (CA8 1976) *cert. denied*, 429 U.S. 861 (1976).

A trademark is defined broadly to include, with certain limited exceptions, any word, mark, symbol, or device used in commerce which identifies and distinguishes goods and services and which indicates that they emanate from a single source:

> The term "trademark" includes any word, name, symbol, or device, or any combination thereof—
>
> (1) used by a person, or
>
> (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter
>
> to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

15 U.S.C. § 1127.

In commercial terms, trademarks are "brands" [1]. They perform multiple functions benefiting their owners and the consuming public. "They:

- *Identify* a product or service or organization.
- *Differentiate* it from others.
- *Communicate* information as to origin, value, quality.
- *Add value*—at least in some cases.
- Represent potentially *valuable assets.*
- Serve as important *legal properties."* [2]

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[1] *See, e.g., Webster's New World Dictionary* 169-171 (3d ed. 1988); Michael Finn, *Color Me Trademark*, Editor & Publisher, Dec. 4, 1993, at 4T.

[2] John Murphy & Michael Rowe, *How to Design Trademarks & Logos* 8 (1988).

"Brands allow the consumer to shop with confidence, and they provide a route [or road] map through a bewildering variety of choice." [3]

Brands do not simply describe qualities or characteristics. If this were so, then the mere description of a product would be considered a brand. It is not. A brand must package meaning *and* communicate that meaning in a shorthand fashion. Brands must make the consumer's choice easier. Thus, in a commercial marketplace filled with overwhelming choices [4], the consumer must be afforded the ability to rely upon brand identification for making product selections without the need for a feature-by-feature analysis that would otherwise be required.[5]

Translated into legal terms, the attainment of brand identification is known as "secondary meaning". "Secondary meaning is an association formed in the minds of the consumers between the mark and the source or origin of the product." *Co-Rect Products, Inc. v. Marvy! Advertising Photography Inc.*, 780 F.2d 1324, 1330 (CA8 1985). *See also, Two Pesos, Inc. v. Taco Cabana, Inc., supra,* —— U.S. at ——, 112 S. Ct. at 2757; *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 851 n.11 (1982); *Coach Leatherware Co. v. AnnTaylor, Inc.*, 933 F.2d 162, 168 (CA2 1991).

The strength of a trademark to act as a source identifier or to possess secondary meaning has been expressed by courts as a four-category spectrum ranging from symbols or devices which are not capable of developing secondary meaning to those which are inherently distinctive or which inherently possess secondary meaning. *Two Pesos, Inc.*

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[3] *Id.* at 12.

[4] Statisticians report that every person in the U.S. is exposed to 1500 brands per day, or at least 93 brands per hour or 1.5 brands per minute. Finn, *supra*, note 1, at 4T.

[5] Alexander L. Biel, *How Brand Image Drives Brand Equity*, 32 Journal of Advertising Research, RC-6, Nov.-Dec. (1992).



*v. Taco Cabana, Inc., supra,* —— U.S. at ——, 112 S. Ct. at 2757; *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (CA2 1976). These categories are (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful. *Two Pesos, Inc. v. Taco Cabana, Inc., supra,* —— U.S. at ——, 112 S. Ct. at 2757; *Co-Rect Products Inc. v. Marvy! Advertising Photography, Inc., supra,* 780 F.2d at 1329.

> A generic mark is one that refers to the common name or the nature of an article, and most courts hold that it is not entitled to trademark protection. . . . A descriptive mark designates the characteristics, qualities, effects, or other features of the product, and is protectable only if shown to have become distinctive, that is, shown to have acquired secondary meaning. . . . Suggestive marks, which require imagination to reach a conclusion as to the nature of the goods, and arbitrary or fanciful marks, which are inherently distinctive, are entitled to immediate protection, without establishing secondary meaning. . . .

*Id.* (Citations omitted). *See also, Two Pesos, Inc. v. Taco Cabana, Inc., supra,* —— U.S. at ——, 112 S. Ct. at 2757. As a consequence, in order for a mark to perform a trademark function, it must be distinctive or possess secondary meaning.

In a commercial context, secondary meaning is not merely the hollow identification of source, but represents symbolically the qualities and characteristics of a particular product from a particular source and, ultimately, the embodiment of a faith in the consistency of those qualities and characteristics. Brand imagery may evoke in a consumer's mind a particular flavor, strength, and freshness which are consistent unit-to-unit, day-to-day, week-to-week, month-to-month, and year-to-year.

The meaning of any trademark is not a singular message, but a blend of multiple messages that invites con-

sumers to make particular product choices. Thus, a brand communicates information upon which the consumer relies. A brand which successfully indicates a particular, albeit anonymous, source and communicates information relevant to any purchasing decision must be protected under the law. Otherwise, consumers will be punished for their reliance upon commercial symbols and will inevitably be deceived by confusingly similar brands. Furthermore, companies who invest in establishing their brands or trademarks will be stripped of that investment and any goodwill that flows from it.

## II. COLOR AS A TRADEMARK

This Court must determine whether color *per se* can be a device in which secondary meaning can develop and to which consumer loyalty and confidence can attach.

The Lanham Act provides, in part, that a device may be a trademark if it meets the other requirements of Section 45 of the Act. 15 U.S.C. § 1127. The definition of a trademark has two basic elements. A trademark must:

(1) Be a "word, name, symbol, or device, or any combination thereof" used by a person; and

(2) Identify and distinguish such person's goods, including a unique product, from those manufactured or sold by others and indicate the source of the goods, even if that source is unknown.

*Id.* This definition of "trademark" is sufficiently broad to include color, provided that color is shown to identify and distinguish the user's goods.

### A. Is Color a Device?

The legislative history of the Lanham Act, as set forth during Congressional consideration of the Trademark Law Revision Act of 1988 ("TLRA"), makes clear that color can be a symbol or device within the meaning of Section



45 of the Act. In enacting the TLRA, Congress broadened the Lanham Act's original definition of a trademark "to reflect contemporary marketing practices and to make clear a trademark's function of distinguishing the goods of one person from those of another." S. Rep. No. 100-515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607. Congress expressly chose not to disturb the Patent and Trademark Office's practice of registering color marks under *In re Owens Corning Fiberglas Corp.*, 774 F.2d 1116 (CAF 1985) if the statutory requirements for registration were met: "[t]he revised definition intentionally retain[ed] . . . the words 'symbol or device' *so as not to preclude the registration of colors*, shapes, sounds or configurations where they function as trademarks." *Id.* (emphasis added).[6]

### B. Can Color Identify and Distinguish Goods and Services and Indicate Their Source?

The simple answer, as exemplified by Petitioner Qualitex, is "yes". *See Qualitex v. Jacobson Products Co.*, 21 USPQ.2d 1457, 1461 (C.D. Cal. 1991) *aff'd in part and rev'd in part, remanded* 13 F.3d 1297 (CA9 1994), *cert. granted* —— U.S. ——, 129 L.Ed.2d 935 (1994). The district court in *Qualitex* held: "The duration of its exclusive use of the green-gold color on its press pad, the significant amount of sales for over 30 years, and the 'image advertising' . . ., all demonstrate that the Qualitex press pad has acquired secondary meaning." *Id.* Other

[6] *See also*, United States Trademark Association, Trademark Review Commission, *Report and Recommendations to U.S.T.A. President and Board of Directors*, 77 Trademark Reporter 375, 421 (1987) (recommending against deletion or narrowing of the terms "symbol, or device" to preclude registration of such things as color, shape, smell, sound, or other configuration which function as a trademark); United States Patent and Trademark Office, *Trademark Manual of Examining Procedure*, § 1202.04(e), at 1202-13 (2nd ed. 1993) (stating that "color can function as a trademark if it is used on goods in the manner of a trademark and if it is perceived by the public as identifying and distinguishing the goods on which it is used and indicating their source").

courts have likewise recognized that color alone, in appropriate circumstances, can serve to identify and distinguish goods or services and indicate their source. *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219, 223 (CA8 1993); *In re Owens-Corning Fiberglas Corp., supra,* at 1127; *DAP Products, Inc. v. Color Tile Mfg., Inc.*, 821 F. Supp. 488, 492 (S.D. Ohio 1993).

In fact, color plays a dramatic role in the marketplace today:

> While color has always surrounded mankind on every side and subjected him to its influence since time immemorial, it is only comparatively recently that we have been able to produce and use color as freely as we do today. Before the 19th century, only a limited number of dyes and pigments were known . . . . Now there are literally thousands of colors of every imaginable hue and intensity. . . .[7]

This makes the palette of human expression today remarkably more capable of communicating with immense subtlety through the use of color.

If one assumes that advertising is a mirror of the times, then one is struck by the multitude of human diversity in this country and worldwide. The diversity of American citizens based upon language, culture, age, education, and other demographic criteria make universally comprehensible communication virtually impossible.

However, color is one of the few modes of communication which touches all but the few who cannot experience it. Color is an unspoken medium that transcends language, age, cultural, social, and educational barriers

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[7] Max Lüscher, *The Lüscher Color Test* 15 (Ian Scott ed. & trans., Pocket Books 1971) (1969). *See also, Qualitex Co. v. Jacobson Prods. Co., Inc.*, 13 F.3d 1297, 1302 (CA9 1994) (acknowledging countless number of shades available).



that otherwise inhibit or thwart communication. Because color is virtually a universal language, it communicates a myriad of meanings.[8] Therefore, color can possess secondary meaning and identify a product as emanating from a unique source. "A study of newspaper advertising showed that color increases comprehension up to 73% and sells products and orders more effectively by 50 to 85%."[9]

"Color differentiates objects to the eye independent of their form."[10] It delivers images. If the use of a color by a person evokes images that create an association in consumers' minds between a product and its source, that color possesses secondary meaning. As such, it is a trademark under Section 45 of the Act. 15 U.S.C. § 1127.

## III. COLOR AS A REGISTRABLE TRADEMARK

### A. The Plain Language of the Lanham Act Permits Registration of Color Trademarks.

The definition of a trademark is unequivocal in the liberal strokes of the creative brush of the Legislature. *See In re E. I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1360 (CCPA 1973). Given the legislative history of the Lanham Act reflecting the contemplation of color as a device, there is no doubt that color is capable of being a trademark.

Once one acknowledges that color is capable of being a trademark, the inquiry shifts to the registrability of color. Section 2 of the Act states: "No trademark by which the goods of the applicant may be distinguished

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[8] Ronald Alsop, *Color Grows More Important in Catching Consumers' Eyes*, Wall St. J., Nov. 29, 1984, at 33; Bernice Kanner, *Color Schemes*, New York, Apr. 3, 1989, at 22-23.

[9] Virginia Johnson, *The Power of Color*, Successful Meetings, June 1992, at 87-90.

[10] Stanley Sacharow, *The Package as a Marketing Tool* 47 (1993).

from the goods of others shall be refused registration on the principal register on account of its nature" except for the reasons enumerated in the statute.[11] 15 U.S.C. § 1052.

The plain language of Section 2 makes clear that *all* trademarks may be registered, provided they do not fall under one of the listed exclusions and provided further that proper application has been made therefor. *Id.* Thus, because color is capable of being a trademark, it must be registrable under Section 2 of the Act, provided it does not fall under any of the enumerated exceptions.

If color, when applied in a particular case, such as the one before the Court, does not fall within one of these exceptions, then this Court must afford color the possibility of becoming a registered trademark *capable of being enforced throughout the United States.* The capacity of a trademark to be registered and enforced nationally must be without limitation by arbitrary and inconsistent decisions if it is to fulfill the mandate of the Congress in enacting the Lanham Act. That mandate is "to provide national protection for trademarks used in interstate and foreign commerce. S. Rep. No. 1333, 79th Cong., 2d Sess., 5 (1946). . . . Because trademarks desirably promote competition and the maintenance of product quality, Congress determined that 'a sound public policy requires that trademarks receive nationally the greatest protection that can be given them.'" *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 193 (1985) (*quoting id.* at 6).

The commercial world today compels the elimination of the outdated "color depletion" theory and the concern

[11] Section 2 of the Lanham Act prohibits a registration of (a) scandalous or immoral matter, (b) national symbols, such as the U.S. flag, (c) the name or portrait of a living person without consent, (d) marks which are confusingly similar to previously registered marks, and (e) marks which are descriptive, geographically descriptive, or deceptively misdescriptive. *See* 15 U.S.C. § 1052.



about "shade confusion" which courts often misuse in thwarting the broad intent of the Lanham Act to protect valid trademarks.[12] The archaic "color depletion" theory and the notion that shade confusion analysis is too difficult for a court to perform have once again diverted a court from the clear language of the Lanham Act and its application in the current commercial marketplace.

The Ninth Circuit cites the color depletion theory by referring to a primary color preclusion, which clearly did not apply to the facts of the case before it. Moreover, the court below states the truism that there are "countless shades of colors" and that these countless shades cannot be depleted. *Qualitex Co. v. Jacobson Prods. Co., supra,* 13 F.3d at 1302. Thus, the Ninth Circuit plainly recognized that the color depletion theory does not present a *per se* preclusion of color as a registrable trademark.

However, after presenting its inconclusive position regarding the color depletion theory, the Ninth Circuit relies on "shade confusion" to buoy its view of the "better rule" of *per se* preclusion of color as a registrable trademark. The court simply refers to unspecified and "unnecessary problems" in drawing distinctions based on shade confusion. *Id.* Thus, in one bold stroke the Ninth Circuit

[12] The court below stated: "We conclude that the better rule is that a trademark should not be registered for color alone. As many cases have noted, under the color depletion theory, no person should have a monopoly on a primary color. We recognize that there are countless shades of colors that could not be depleted, but then, we could well become involved in 'shade confusion' . . . [citations omitted]. Drawing distinctions between close shades of color could present unnecessary problems. Adequate protection is available when color is combined in distinctive patterns or designs or combined in distinctive logos. . . . Furthermore, as we discuss hereafter, further protection is afforded by the Lanham Act's unfair competition provisions." *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297, 1302 (CA9 1994) (citations omitted).

cited a *per se* preclusion rule for color based solely on some unspecified difficulty in shade confusion analysis.

This ruling denies the essence of a trademark—secondary meaning. If a color has attained secondary meaning, it is recognized by consumers as an indicator of source. If consumers perceive the color in this fashion, then they can be deceived by an unfair competitor who uses a confusingly similar color on the same or related goods. If the consumer can be deceived, then the Lanham Act must be invoked because the Act's mandate is to provide national protection for trademarks.

The same problems exist in determining whether two color shades create a likelihood of confusion just as they exist in making that determination regarding other types of trademarks: Does the use of the allegedly infringing mark create a likelihood of consumer confusion, mistake, or deception as to product source? 15 U.S.C. § 1114. The issue is simply whether the use of a similar color on the same or related goods is likely to confuse a consumer. The consumer's likely state of mind on seeing the marks in the marketplace is the test. The analysis that must be performed by a court or a jury is the same for color as for any other species of mark.

The well worn theories or notions that caused the Ninth Circuit to avoid what it recognized as the clear mandate of the Lanham Act must be reversed. Affording color the ability to be tested in the crucible created under the Lanham Act for the determination of registrability of trademarks is explicitly required by statute, legislative mandate, and legislative history. In addition, allowing color to serve as a trademark and be protected through registration is compelled by the commercial environment that uses brands as vehicles on which consumers rely in selecting products. This reliance is based on familiarity with a device—color—that conveys the meanings necessary to make those decisions.



### B. The Law's Evolutionary Nature Requires Reversal of the Ninth Circuit's Decision.

> "The inn that shelters for the night is not the journey's end. The law, like the traveller, must be ready for the morrow. It must have a principle of growth."

*Belt v. Hamilton National Bank*, 108 F. Supp. 689, 690 (1952) (*quoting* Cardozo, *The Growth of the Law*, at 20). "Of course, the 'starting point in every case involving construction of a statute is the language itself'. But the text is only the starting point." *Kelly v. Robinson*, 479 U.S. 36, 43 (1986) (*quoting Blue Chip Stamps v. Manor Drug Stores*, 421 U.S. 723, 756 (1975) (Powell, J., concurring)). " '[I]n expounding a statute, we must not be guided by a single sentence or member of a sentence, but look to the provisions of the whole and to its object and policy.' " *Id.* at 43 (*quoting Offshore Logistics, Inc. v. Tallentire*, 477 U.S. 207, 222 (1986) (*in turn quoting Mastro Plastics Corp. v. NLRB*, 350 U.S. 270, 285 (1956) (*in turn quoting United States v. Heirs of Boisdore*, 8 How. 113, 122, 12 L.Ed. 1009 (1849))).

The environment in which the law is applied is a critical element in the analysis and application of the law to the facts—the judicial function. The Court must not treat the law as static, but, instead, must ever look to the "life of the law". Life implies growth, and growth implies development and application in tune with the world.

What, then, is the world of the marketplace like today? In the current consumer marketplace, shopping can be intense and hurried:

> [S]hopping can be a remarkably intense experience. In . . . [a] brief 5 seconds of your shopping experience the package becomes the ultimate selling vehicle. The package is the message. The package is the product you will ultimately select or perhaps ignore

> and pass by . . . . The package is what grabs the shopper's attention and within those precious 5 seconds the package has to communicate a wealth of information.[13]
>
> [O]n a very practical level, consumers like brands because they package meaning. They form a kind of shorthand that makes choice easier. They let one escape from a feature-by-feature analysis of category alternatives, and so, in a world where time is an ever-diminishing commodity, brands make it easier to store evaluations.[14]

Today, saving time takes priority over saving money.[15] Therefore, brand loyalty is more important today than perhaps as recently as five years ago, when comparison shopping was in vogue.[16] The environment today is charged with change that requires the minimal investment in time to make a rational consumer choice. The significant increase of women in the workplace[17] and the increased demands placed upon the work force have made time, rather than money, the most precious commodity for many Americans. Brands, therefore, are an efficient means of communicating the packaged meaning described above,"[18] and "color is still the primary purchasing consideration. . . ."[19] In fact, "[c]olor goes

[13] Coleman, Lipuma, Segal & Morrill, Inc., *Package Design & Brand Equity* 6 (1994).

[14] Biel, *supra*, note 5, at RC-6.

[15] Belinda Hulin-Salkin, *Grocery Marketing: Food Stores Turn Shopping Into a Carefully Catered Affair*, Advertising Age, Oct. 3, 1988, at S1, S16-17.

[16] *Id.*

[17] Phyllis Furman, *Grocery Marketing: Redesign Puts Old packages in New Light*, Advertising Age, May 4, 1987, at S20-21.

[18] Biel, *supra*, note 5, at RC-6.

[19] Harold Linton, *Color Forecasting: A Survey of International Color Marketing* 99 (1994).



> immediately to the psyche and can be a direct sales stimulus."[20]

The efficient communication of meaning yields value at the bottom line for the owners of brands. Brands make choice easier for consumers, and, therefore, the creation and maintenance of brand loyalty is the key to economic success in the American and global marketplace. The efficient communication of brand identity so as to facilitate consumer choice is what creates "brand equity" or market value of the brand.[21]

Because the marketplace is vibrant, it is in a state of constant evolution. "Gone are the days of 'any color you want so long as it's black.'"[22] So, too, must the application of the law be vibrant and relevant. To the extent that courts arbitrarily deny protection to color, those who invest in the development of color brands can never rely on their investment in color. *Truck Equipment Service Co. v. Fruehauf Corp., supra,* 536 F.2d at 1215. The net effect is that the value of color as a brand will be reduced to zero, inviting the deception of the consuming public.

Color has enabled many companies to develop products with strong images, instantly recognizable around the world.[23] The Ninth Circuit's decision compromises the investment of such companies in color and invites the competitors to prey upon the consumers who come to rely upon color as a source identifier. This flies in the face

[20] Alsop, *supra*, note 8, at 33.

[21] Biel, *supra*, note 5, at RC-7.

[22] Murphy & Rowe, *supra*, note 2, at 11. *See also, Diamond Watch Co. v. Saginaw Match Co.*, 142 F. 727, 729-730 (CA6 1906) *cert. denied*, 203 U.S. 589 (1906) ("The primary colors, even adding black and white, are but a few. If two of these colors can be appropriated for one brand . . . it will not take long to appropriate the rest.")

[23] Linton, *supra*, note 20, at 147.

of the market reality we each confront daily. The decision below denies the law its proper and practical application to our lives today.

Justice Frankfurter perhaps summed it up best in *Bernhardt v. Polygraphic Co. of America*, 350 U.S. 198, 209-210 (1956) when he wrote: "Law does change with times and circumstances . . . [L]aw is not restricted to what is found in Law Reports . . ." *See also, In re Owens-Corning Fiberglas Corp., supra*, 774 F.2d at 1119.

Therefore, in light of the clear statutory language of the Lanham Act and the role color plays in our marketplace *today*, Dr Pepper/Seven-Up Corporation urges this Court to provide unequivocal protection to both the consumer and the owner of color brands by recognizing the registrability of color as a trademark. Accordingly, the Court is respectfully requested to find in favor of Qualitex Company and against Jacobson Products Co., Inc., by holding that color alone may properly be registered as a trademark where the statutory requirements of the Lanham Act are met.



## CONCLUSION

The judgment of the court of appeals should be reversed to the extent that the court held that color alone as a matter of law cannot properly be registered as a trademark under the Lanham Act.

Respectfully submitted,

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IN THE

# Supreme Court of the United States

OCTOBER TERM, 1994

QUALITEX COMPANY,

*Petitioner*,

—v.—

JACOBSON PRODUCTS COMPANY, INC.,

*Respondent*.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

## BRIEF FOR OWENS-CORNING FIBERGLAS CORPORATION AS *AMICUS CURIAE* IN SUPPORT OF PETITIONER

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27 pp

## TABLE OF CONTENTS


| | PAGE |
|---|---|
| Table of Authorities | iii |
| Consent of Parties | 1 |
| Interest of the *Amicus Curiae*: Owens-Corning's Use of its Pink Trademark to Identify and Promote its Goods | 1 |
| Summary of Argument | 5 |
| Argument | 7 |
| POINT I | |
| THE LANHAM ACT PERMITS THE REGISTRATION OF COLOR AS A TRADEMARK | 7 |
| A. The language, legislative history and administrative interpretation of the Lanham Act show that Congress intended to permit the registration of color as a trademark | 7 |
| B. Permitting the registration of color as a trademark is consistent with the purposes of the Lanham Act | 13 |
| POINT II | |
| THE ARGUMENTS ADVANCED AGAINST TRADEMARK PROTECTION FOR COLOR DO NOT WARRANT A *PER SE* RULE AGAINST REGISTRABILITY | 15 |

PAGE

A. The "color depletion" theory cannot justify a *per se* ban ..... 16

B. The "shade confusion" problem cannot justify a *per se* ban ..... 18

Conclusion ..... 20



## TABLE OF AUTHORITIES

**Cases** PAGE

*American Surety Co.* v. *Marotta*, 287 U.S. 513 (1933) ..... 8

*Amsted Industries, Inc.* v. *West Coast Wire Rope & Rigging, Inc.*, 2 U.S.P.Q.2d 1755 (T.T.A.B. 1987) ..... 19

*Andrus* v. *Glover Construction Co.*, 446 U.S. 608 (1980) ..... 9

*Arkansas Best Corp.* v. *Commissioner*, 485 U.S. 212 (1988) ..... 9

*British Seagull Ltd.* v. *Brunswick Corp.*, 28 U.S.P.Q.2d 1197 (T.T.A.B. 1993), *aff'd*, 32 U.S.P.Q.2d 1120 (Fed. Cir. 1994) ..... 14, 18

*Brunswick Corp.* v. *British Seagull Ltd.*, 32 U.S.P.Q.2d 1120 (Fed. Cir. 1994)..... 18

*Campbell Soup Co.* v. *Armour & Co.*, 175 F.2d 795 (3d Cir.), *cert. denied*, 338 U.S. 847 (1949)..... 17

*Chevron U.S.A. Inc.* v. *Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984) ..... 6, 10, 11

*DAP Products, Inc.* v. *Color Tile Mfg., Inc.*, 821 F. Supp. 488 (S.D. Ohio 1993) ..... 12, 16

*Diamond Match Co.* v. *Saginaw Match Co.*, 142 F. 727 (6th Cir.), *cert. denied*, 203 U.S. 589 (1906) ..... 16, 17

*Edward Weck Inc.* v. *IM Inc.*, 17 U.S.P.Q.2d 1142 (T.T.A.B. 1990) ..... 10, 14

PAGE

*Gorenstein Enterprises* v. *Quality Care-USA, Inc.*, 874 F.2d 431 (7th Cir. 1989) ..... 13

*In re Eagle Fence Rentals, Inc.*, 231 U.S.P.Q. 228 (T.T.A.B. 1986) ..... 10

*In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973) ..... 11 n.1, 16

*In re Hodes-Lange Corp.*, 167 U.S.P.Q. 255 (T.T.A.B. 1970) ..... 19

*In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) ..... *passim*

*Kohler Co.* v. *Moen Inc.*, 12 F.3d 632 (7th Cir. 1993) ..... 8, 10

*Master Distributors, Inc.* v. *Pako Corp.*, 986 F.2d 219 (8th Cir. 1993) ..... *passim*

*Northwest Airlines, Inc.* v. *Transport Workers Union of America*, 451 U.S. 77 (1981) ..... 12

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PAGE

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IN THE

# Supreme Court of the United States

OCTOBER TERM, 1994

**No. 93-1577**

QUALITEX COMPANY,

*Petitioner,*

—v.—

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

## BRIEF FOR OWENS-CORNING FIBERGLAS CORPORATION AS *AMICUS CURIAE* IN SUPPORT OF PETITIONER

### Consent of Parties

Petitioner and respondent have consented to the filing of this brief, and their letters of consent are being filed separately herewith.

### Interest of the *Amicus Curiae*: Owens-Corning's Use of its Pink Trademark to Identify and Promote its Goods

*Amicus curiae* Owens-Corning Fiberglas Corporation ("Owens-Corning") is the largest manufacturer of residential

fiberglass insulation in the United States. In 1993, Owens-Corning sold in excess of $500 million of the product, enough fiberglass to insulate more than 800,000 single family homes. All of that insulation was colored pink. That pink color serves as an instantly recognizable trademark. Owens-Corning has colored its residential fiberglass insulation pink since 1956. It is the only fiberglass insulation manufacturer that colors its product; all of the other manufacturers sell their cured insulation in its natural, yellow state.

In 1985, the United States Court of Appeals for the Federal Circuit ruled in *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985), that Owens-Corning was entitled to federal registration under the Lanham Act for the color pink as a trademark for its residential fiberglass insulation products. In 1993, that federal registration (No. 1,439,132) became incontestable under Section 15 of the Lanham Act.

The decision of the Ninth Circuit in *Qualitex Co.* v. *Jacobson Products Co.*, 13 F.3d 1297 (9th Cir. 1994), under review by this Court is directly at odds with the Federal Circuit's ruling in *In re Owens-Corning* and threatens to deprive Owens-Corning of the goodwill represented by its distinctive trademark and to invite consumer confusion. Owens-Corning urges this Court to reverse the Ninth Circuit's ruling that the Lanham Act does not permit the registration of a color mark under any circumstances.

Owens-Corning's use of a pink trademark to identify and promote its products is a paradigm case showing that registration of a color mark "foster[s] competition and the maintenance of quality by securing to the producer the benefits of good reputation." *Park'N Fly, Inc.* v. *Dollar Park and Fly, Inc.*, 469 U.S. 189, 198 (1985). Its experience also shows that the Ninth Circuit's blanket denial of registration cannot be reconciled with the "contemporary marketing practices" that Congress meant the statute to accommodate. S. Rep. No. 515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607.



On a nationwide basis, in each and every relevant market Owens-Corning has promoted the unique color of its residential fiberglass insulation as the trademark symbol for the quality of both the product and the company standing behind it. At the consumer level, Owens-Corning uses television and magazine advertisements, promotional literature and items, point-of-sale materials and a consumer hotline, "1-800-GET-PINK," to reinforce the image of Owens-Corning pink fiberglass as a quality product that provides the best thermal and sound control performance available. The company has spent at least $400 million on consumer and cooperative advertising during the period from 1972 through 1994. *All* of this advertising features pink.

Indeed, since *In re Owens-Corning* was decided in 1985, the company has spent at least $200 million on consumer and cooperative advertising and promotions incorporating Owens-Corning's pink trademark. Plainly, Owens-Corning has expended vast sums in reliance on the decision.

These efforts have been extremely successful with the public. As stated in *In re Owens-Corning*, a January 1981 survey showed that 50% of male homeowners identified Owens-Corning as the manufacturer of pink insulation. 774 F.2d at 1127. Consumer identification is even higher today.

The promotion of pink as the trademark for Owens-Corning residential fiberglass insulation is equally pervasive to the trade. Retailers, insulation contractors and distributors know that because of Owens-Corning's extensive advertising, it is easier to sell pink insulation to builders and the "do-it-yourself" market. And builders know that by using Owens-Corning pink insulation they can assure prospective home buyers that they used quality building products. The trade also knows that when they buy pink insulation, they are buying a product that has been subjected to rigorous quality control and that will perform in accordance with its specifications. They know that they are dealing with a company that is strongly committed to research and development and that is responsible for

a number of technical and product innovations that make pink insulation easier to use, handle and store. And they know that they are dealing with a company dedicated to customer service and support through its sales force, engineering and management consulting staffs, training workshops, and a "1-800-PINK-PRO" hotline for trade customers.

The bottom line is that among consumers, "pink" is synonymous with "Owens-Corning" for residential fiberglass insulation. Given this wide recognition and acceptance of Owens-Corning's pink trademark for fiberglass insulation, the consequences to Owens-Corning from a decision upholding the Ninth Circuit in *Qualitex* would be severe. Loss of trademark protection for the pink mark could free Owens-Corning's competitors to begin manufacturing pink insulation of their own. Trade dress protection is not a substitute for trademark protection.

Among other things, registration provides a trademark owner with *prima facie* evidence of the validity of its mark and of its "exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration." 15 U.S.C. § 1115(a). Moreover, "in a registered trademark infringement case, the court must look at a *single* aspect of the product — the trademark itself — a court in [a] trade-dress infringement case must look at the product as a whole." *Qualitex*, 13 F.3d at 1303. Thus, if the Ninth Circuit is not reversed, a competitor could produce pink fiberglass and argue on the basis of the "total impression of the package, size, shape, color, design, and name," 13 F.3d at 1303, that Owens-Corning's trade dress was not being infringed.

Competitors could thus attempt to benefit from the goodwill and reputation that Owens-Corning has cultivated. The problem would be particularly acute for a product like residential fiberglass insulation. Once installed, all pink insulation would look alike; variations in quality could only be detected through sophisticated testing. Homeowners who would see a competitor's pink insulation in their attics would falsely believe that they



have Owens-Corning insulation. The problem is compounded by the fact that many of the support services that Owens-Corning uses to distinguish its product are provided free of charge. As a result, the trade could avail itself of Owens-Corning's free support services and purchase a competitor's pink product.

The inevitable result of a loss of protection for Owens-Corning's valuable trademark would be a diminution in the ability of the company to capture the economic benefits that quality control, technical innovation and customer service would otherwise bring it — all to the ultimate detriment of consumers. This is precisely the sort of harm that Congress was seeking to prevent in adopting and in recently amending the Lanham Act, and precisely the reason why Owens-Corning has a unique interest in the reversal of the Ninth Circuit's ruling in *Qualitex*.

## Summary of Argument

In its most recent decisions construing the Lanham Act, this Court has established two overriding principles that dictate the outcome of this case: (1) that the courts should give effect to the plain meaning of the Act; and (2) that the courts are not free to write policy-based restrictions into the Act in contravention of its express terms. *Two Pesos, Inc.* v. *Taco Cabana, Inc.*, 112 S. Ct. 2753 (1992); *Park'N Fly, Inc.* v. *Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985). The Ninth Circuit's decision in *Qualitex* cannot be reconciled with either of these principles.

Section 45 of the Lanham Act permits the registration of any "symbol, or device" that is "used by a person" "to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods." 15 U.S.C. § 1127. Color can and does serve this function and therefore can be registered as a trademark. Section 2 of the Lanham Act supports this conclusion; it provides that no trademark can be refused registration "on account of its nature" except as Section 2 expressly provides. 15 U.S.C. § 1052. Color is not one of the listed exceptions. Permitting

the registration of color marks is also supported by the legislative history of the Lanham Act and particularly that of the 1988 amendments to the Act which, with unusual clarity, indicates that Congress defined "trademark" broadly "so as not to preclude the registration of colors . . . where they function as trademarks." S. Rep. No. 515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607. Registrability of color marks is also consistent with the construction of the Act by the Patent and Trademark Office, the agency that Congress charged with administering its registration provisions. 15 U.S.C. § 1062; 35 U.S.C. § 6. That agency's interpretation is entitled to deference. *See Chevron U.S.A. Inc.* v. *Natural Resources Defense Council, Inc.*, 467 U.S. 837, 842-45 (1984).

The "policy" concerns upon which the Ninth Circuit based its conclusion "that the better rule is that a trademark should not be registered for color alone," 13 F.3d at 1302, cannot justify its decision. Absent some constitutional prohibition, courts must abide by the legislative judgments that have been made by Congress and cannot deviate from those judgments on "policy" grounds. The Ninth Circuit's "better rule" approach is a species of impermissible "federal-common-law-making" recently condemned by this Court in *O'Melveny & Myers* v. *FDIC*, 114 S. Ct. 2048 (1994). It is particularly problematic given that the judicially-determined "better rule" is at odds with Congress' fundamental objective in enacting the Lanham Act: to liberalize the registration of trademarks and make trademark law consistent with contemporary commercial practices.

Moreover, the substance of the "policy concerns" that led the Ninth Circuit to its decision cannot be credited. While professing concern about so-called "color depletion," the Ninth Circuit acknowledged "that there are countless shades of colors that could not be depleted." 13 F.3d at 1302. And in concluding that "shade confusion" would "present unnecessary problems," 13 F.3d at 1302, the Ninth Circuit apparently lost sight of the fact that Congress passed the Lanham Act to protect consumers against confusion and companies like



Owens-Corning from unfair competition, not to protect courts from having to deal with "problems." In any event, the "problem" that the Ninth Circuit perceived is not a real one. Distinguishing between color shades is no more difficult than deciding whether word marks are confusingly similar. *See Master Distributors, Inc.* v. *Pako Corp.*, 986 F.2d 219, 223 (8th Cir. 1993); *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1123 (Fed. Cir. 1985).

## Argument

## POINT I

## THE LANHAM ACT PERMITS THE REGISTRATION OF COLOR AS A TRADEMARK.

The plain language, legislative history and administrative interpretation of the Lanham Act demonstrate that Congress intended to permit the registration of color marks. The Ninth Circuit simply ignored the language of the statute, its legislative history and its basic purpose to create a policy-based, *per se* prohibition against the registration of color.

### A. The language, legislative history and administrative interpretation of the Lanham Act show that Congress intended to permit the registration of color as a trademark.

The starting point for determining whether color can be registered as a "trademark" under the Lanham Act is the plain language of the statute. *Park'N Fly, Inc.* v. *Dollar Park and Fly, Inc.*, 469 U.S. 189, 194 (1985) ("Statutory construction must begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose."); *Two Pesos, Inc.* v. *Taco Cabana, Inc.*, 112 S. Ct. 2753, 2760 (1992).

The Lanham Act provides for the federal registration of "trademarks" and a comprehensive scheme of substantive and

procedural protections for "trademarks." 15 U.S.C. §§ 1052 (registrability), 1065 (incontestability), 1114 (remedies), 1115 (evidentiary presumptions), 1116 (injunctions). Under the heading "Construction and Definitions," Section 45 of the Act defines a "trademark" to include "any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." 15 U.S.C. § 1127.

It is readily apparent that "color" falls within this statutory definition. As demonstrated by Owens-Corning's "use" of pink detailed above, color is a "symbol" or "device" that can be used to "identify and distinguish" goods and to indicate their source.

Indeed, the conclusion that color fits within the statutory definition of "trademark" does not depend upon a finding that color is a "symbol" or "device." Section 45 provides that a trademark "*includes* any word, name, symbol, or device . . . used by a person . . . to identify and distinguish his or her goods." As the Seventh Circuit has recently held, the definition does not *limit* registrable trademarks to the specifically included items. *Kohler Co.* v. *Moen Inc.*, 12 F.3d 632, 635 (7th Cir. 1993) (Congress' use of the word "includes" indicates that "trademarks" are not limited to "words, names, symbols or devices"). *See also American Surety Co.* v. *Marotta*, 287 U.S. 513, 517 (1933) (the word "include" in statutes is "used as a word of extension or enlargement rather than as one of limitation or enumeration"). Thus, so long as color is "used" to "identify or distinguish goods," it functions as a "trademark" and is entitled to registration.

Section 2 confirms that the Lanham Act permits color to be registered as a trademark. Pursuant to that Section, no trademark can be refused registration "on account of its nature" except as Section 2 expressly provides. Color is not one of the specifically excluded categories. 15 U.S.C. § 1052. A *per se*



rule precluding the registration of color plainly is a prohibition "on account of its nature" that is forbidden by Section 2. Creating an exception for color would constitute a judicial amendment to add a category that Congress chose to omit. Courts are not authorized to engage in this type of "federal-common-law-making." *O'Melveny & Myers* v. *FDIC*, 114 S. Ct. 2048, 2054-55 (1994) (courts may not alter statutory scheme by creating "additional 'federal common-law' exceptions"). *See also Arkansas Best Corp.* v. *Commissioner*, 485 U.S. 212, 217-18 (1988) (when Congress provides for certain exceptions, courts are not free to fashion additional ones); *Andrus* v. *Glover Construction Co.*, 446 U.S. 608, 616-17 (1980) ("Where Congress explicitly enumerates certain exceptions to a general prohibition, additional exceptions are not to be implied, in the absence of evidence of a contrary legislative intent.").

The legislative history of Section 45 also confirms that the statutory definition of "trademark" was intended to include color. In 1988, Congress passed the Trademark Law Revision Act of 1988, Pub. L. 100-667 (hereinafter, the "1988 Act"). One of the major purposes of the 1988 Act was to "bring the trademark law up-to-date with present day business practices." S. Rep. No. 515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577. To that end, the definition of "trademark" in Section 45 was "broadened to reflect contemporary marketing practices and to make clear a trademark's function of distinguishing the goods of one person from those of another." 1988 U.S.C.C.A.N. at 5607. In commenting on these changes, the Senate Report stated that the revised definition "intentionally retain[ed]. . . the words 'symbol or device' *so as not to preclude the registration of colors*, shapes, sounds or configurations *where they function as trademarks*." 1988 U.S.C.C.A.N. at 5607 (emphasis added).

Plainly, when both the language of a statute indicates a certain result *and* where the legislative history of the statute

expressly *endorses that same result*, the courts must accept that Congress has definitively addressed the issue. Indeed, that was precisely the basis for this Court's decision in *Park'N Fly*, where it relied on the language and legislative history of Sections 15 and 33(b) of the Lanham Act to reverse the Ninth Circuit and hold that an alleged infringer of an incontestable trademark is entitled to assert only those defenses enumerated in the statute. 469 U.S. at 196-202. Similarly, this Court in *Two Pesos, Inc.* v. *Taco Cabana, Inc.*, 112 S. Ct. 2753 (1992), found that there was no "textual basis in § 43(a) for treating inherently distinctive verbal or symbolic trademarks differently from inherently distinctive trade dress," and, consequently, refused to write such a provision into the Lanham Act. 112 S. Ct. at 2760.

The conclusion that color can be registered as and receive the protections afforded a "trademark" is further supported by the fact that the Patent and Trademark Office has interpreted the Lanham Act to permit the registration of color marks. *See In re Owens-Corning*, 774 F.2d at 1118 (noting that the Trademark Trial and Appeal Board has "held that the overall color of goods is capable of functioning as a trademark"); *Edward Weck Inc.* v. *IM Inc.*, 17 U.S.P.Q.2d 1142, 1145 (T.T.A.B. 1990) ("no inherent bar to trademark registration of the overall color of goods"); *In re Eagle Fence Rentals, Inc.*, 231 U.S.P.Q. 228, 231 (T.T.A.B. 1986) ("when color is applied to goods in an arbitrary manner or design, it can function as [a] trademark").

Since Congress has delegated the duty to administer the Lanham Act, including the authority to promulgate rules implementing the Act, to the Patent and Trademark Office, the Ninth Circuit was obliged to defer to any permissible interpretation of the statute issued by that Office. *Chevron U.S.A. Inc.* v. *Natural Resources Defense Council, Inc.*, 467 U.S. 837, 843-44 (1984); *Kohler Co.* v. *Moen Inc.*, 12 F.3d 632, 635-36 (7th Cir. 1993) (deferring to Patent and Trademark Office's construction of Section 45 of the Lanham Act).



*See* 15 U.S.C. § 1062 (Patent and Trademark Office determines whether a particular mark qualifies for registration); 35 U.S.C. § 6 (1988) (granting Patent and Trademark Office the authority to issue regulations). There is no doubt that one "permissible" interpretation of the Lanham Act would permit the registration of color. The Ninth Circuit erred by rejecting this construction and substituting its view of what marks should be subject to registration. *See Chevron*, 467 U.S. at 844 ("a court may not substitute its own construction of a statutory provision for a reasonable interpretation made by the administrator of an agency").

Given the language of the Act, its legislative history and the authoritative interpretation of the responsible administrative agency, it is no surprise that the three courts that have followed this Court's teaching on statutory construction have all concluded that the definition of "trademark" encompasses color. In the leading opinion, *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1118-20 (Fed. Cir. 1985), the Federal Circuit noted that Section 45 represented a departure from prior trademark law "as prior statutes only permitted the registration of 'technical' common law trademarks." 774 F.2d at 1119.[1] The Federal Circuit reasoned that when Congress changed the definition of trademark, "registration became available to many types of previously excluded indicia." 774 F.2d at 1119-20 & nn.1-9. As a result, "[t]he jurisprudence under the Lanham Act developed in accordance with the statutory principle that if a mark is capable of being or becoming distinctive of [an] applicant's goods in commerce,

[1] *See also In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1360 (C.C.P.A. 1973) (Lanham Act dispensed with "technical prohibitions and arbitrary provisions"); Restatement (Third) of Unfair Competition § 9, cmt. f. (Tent. Draft No. 2, March 23, 1990) (trademarks at common law were "limited to inherently distinctive designations such as fanciful or arbitrary words used by a seller to identify the source of its goods").

then it is capable of serving as a trademark." 774 F.2d at 1120. Since color can serve to identify and distinguish products and to indicate their source, the Federal Circuit concluded that "[c]olor marks, as other indicia, were no longer barred from registration." 774 F.2d at 1120.

Likewise, the Court of Appeals for the Eighth Circuit analyzed the language of the Act and its legislative history to conclude that there was no "per se prohibition against protecting color alone as a trademark." *Master Distributors, Inc.* v. *Pako Corp.*, 986 F.2d 219, 224 (8th Cir. 1993). *See also DAP Products, Inc.* v. *Color Tile Mfg., Inc.*, 821 F. Supp. 488, 494 (S.D. Ohio 1993) ("no absolute prohibition on the registrability of color marks").

On the other hand, courts that have denied Lanham Act protection to color have done so without reference to the language or the legislative history of the Act. For example, in *Qualitex*, even though the Ninth Circuit recognized that registration of a color is *not* prohibited by the Lanham Act, it nonetheless held that color could not be the basis of a trademark. 13 F.3d at 1301. The analysis of the Seventh Circuit in *NutraSweet Co.* v. *Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991), was equally defective; the opinion merely cites to a case decided in 1950 and concludes without reference to either the statute or its legislative history that "[c]onsistency and predictability" provide compelling reasons for refusing to depart from that precedent. 917 F.2d at 1027. These rulings disregarded cardinal principles of statutory construction that a court's responsibility is to "construe and apply the provisions Congress enacted," not "to evaluate the wisdom of the legislative determinations reflected in the statute." *Park'N Fly, Inc.*, 469 U.S. at 203. *See also Northwest Airlines, Inc.* v. *Transport Workers Union of America*, 451 U.S. 77, 97 (1981) ("authority to construe a statute is fundamentally different from the authority to fashion a new rule or to provide a new remedy which Congress has decided not to adopt").



### B. Permitting the registration of color as a trademark is consistent with the purposes of the Lanham Act.

Registration of color is also appropriate because it would further the purposes of the Lanham Act "to secure to the owner of the mark the goodwill of his business" and "to protect the ability of consumers to distinguish among competing producers." *Park'N Fly, Inc.* v. *Dollar Park and Fly, Inc.*, 469 U.S. 189, 198 (1985). Broad protection is necessary to advance these purposes. As this Court stated in *Park'N Fly*:

> Because trademarks desirably promote competition and the maintenance of product quality, Congress determined that "a sound public policy requires that trademarks should receive nationally the greatest protection that can be given them."

469 U.S. at 193 (quoting S. Rep. No. 1333, 79th Cong. 2d Sess. (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274, 1277).

The registration of color marks in appropriate cases advances these legislative purposes. Owens-Corning's use of the color pink proves the point. Pink instantly identifies Owens-Corning residential fiberglass insulation and distinguishes it from insulation sold by other manufacturers. *In re Owens-Corning*, 774 F.2d at 1123. Pink assists in the advertisement and sale of Owens-Corning's insulation and embodies the goodwill that the company has developed for its brand through product innovation and quality control. 774 F.2d at 1125-27. As Judge Posner has observed, the "purpose of a trademark, after all, is to identify a good or service to the consumer." *Gorenstein Enterprises* v. *Quality Care-USA, Inc.*, 874 F.2d 431, 435 (7th Cir. 1989). Plainly, color can, and does, serve this function.[2]

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[2] Judge Posner has written that, from an economic perspective, color should be entitled to registration. W. Landes & R. Posner, *Trademark Law: An Economic Perspective*, 30 J. Law & Econ. 265, 290 (1987) ("[C]olor now primarily provides source information; in trademark

(*footnote continued*)

This is not to say that the use of a certain color will always result in a trademark registration. The Patent and Trademark Office has established substantive standards for the examination of applications seeking to register color marks. Trademark Manual of Examining Procedure § 1202.04(e) (2d ed. 1993).[3] And the Office has not shown any hesitation in refusing to register color marks where these standards have not been met. *See, e.g., Edward Weck Inc.* v. *IM Inc.*, 17 U.S.P.Q.2d 1142 (T.T.A.B. 1990) (refusing registration for color green as applied to disposable plastic instruments where no proof of secondary meaning); *British Seagull Ltd.* v. *Brunswick Corp.*, 28 U.S.P.Q.2d 1197 (T.T.A.B. 1993) (refusing to register color black as applied to marine outboard engines where black was functional and lacked secondary meaning), *aff'd*, 32 U.S.P.Q.2d 1120 (Fed. Cir. 1994). However, when color *is* used to identify and distinguish a producer's goods, it *is* a trademark, and affording that trademark the protections provided by Congress protects consumers and producers.

The Ninth Circuit concluded that even without the right to register a color mark, the policies underlying the Lanham Act can be vindicated by providing relief under the general unfair competition provision of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125. That conclusion was incorrect. Some courts have refused to allow a Section 43(a) claim that is based on "mere color." *See, e.g., NutraSweet Co.* v. *Stadt Corp.*, 917

(*footnote continued*)
jargon it has acquired secondary meaning. Not to allow exclusive use in these circumstances would destroy information capital should other producers start using the same signifier.")

[3] Section 1202.04(e) of the Manual provides that an applicant seeking to register color as a trademark bears the "substantial" burden of showing that: (a) color "is used on the goods in the manner of a trademark" and "is perceived by the purchasing public as identifying and distinguishing the goods on which it is used and indicating their source"; (b) "the proposed color mark has become distinctive of the applicant's goods in commerce"; and (c) there is no "competitive need for colors to remain available in the industry."



F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991) (refusing to extend Section 43(a) protection to color). Moreover, the protection afforded by Section 43(a) is not as strong as the protection afforded a registered trademark: registration is *prima facie* evidence of the validity of the mark and the trademark owner's "exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration." 15 U.S.C. § 1115(a).[4] And as *Qualitex* acknowledges, in a registered trademark case, the court would focus on the "*single* aspect of the product — the trademark itself" in assessing the likelihood of confusion, whereas in a "trade-dress infringement case" the court would "look at the product as a whole." 13 F.3d at 1303. Given this different focus, in a trade dress case a competitor could argue that while it was using the same color that identifies its competitor's goods, it had taken other steps to diminish the likelihood that consumers would confuse the source of the goods and that its use of its competitor's color was therefore permissible. The protection of consumers that Congress sought to achieve thus would be jeopardized.

## POINT II

## THE ARGUMENTS ADVANCED AGAINST TRADEMARK PROTECTION FOR COLOR DO NOT WARRANT A *PER SE* RULE AGAINST REGISTRABILITY.

Those courts that have adopted a *per se* rule against Lanham Act protection for color have relied principally on two ratio-

[4] The right to register also provides a trademark owner with additional protections, including: (1) the ability to establish *prima facie* ownership of its mark in an infringement action, 15 U.S.C. § 1057(b); (2) constructive notice throughout the United States of its claim to the mark, 15 U.S.C. § 1072; (3) the benefit of the incontestability provisions of the Lanham Act, 15 U.S.C. § 1065; (4) the opportunity to prevent the importation of counterfeit goods by recording a registered mark with the Department of the Treasury, 15 U.S.C. § 1124; and (5) the ability to obtain an *ex parte* order seizing goods labeled with counterfeit marks, 15 U.S.C. § 1116(d)(1).

nales: "color depletion" and "shade confusion." *See, e.g., Qualitex Co.* v. *Jacobson Products Co.*, 13 F.3d 1297, 1302 (9th Cir. 1994); *NutraSweet Co.* v. *Stadt Corp.*, 917 F.2d 1024, 1027-28 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991). Neither doctrine has any support in the language or legislative history of the Lanham Act. Both "color depletion" and "shade confusion" are policy-based, court-made rules that conflict with Congress' objective of "making registration 'more liberal,' dispensing with 'mere technical prohibitions and arbitrary provisions' and modernizing the trademark statutes 'so that they will conform to legitimate present-day business practice.' " *In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1360 (C.C.P.A. 1973) (quoting S. Rep. No. 1333, 79th Cong. 2d Sess. (1946), *reprinted in* 1946 U.S.S.C.A.N. 1274, 1276-77). But beyond that, neither the "color depletion" nor the "shade confusion" doctrine has any footing in modern commercial practices.

### A. The "color depletion" theory cannot justify a *per se* ban.

The "color depletion" theory was first stated in *Diamond Match Co.* v. *Saginaw Match Co.*, 142 F. 727 (6th Cir.), *cert. denied*, 203 U.S. 589 (1906), a case decided some 40 years before passage of the Lanham Act. The theory takes the view that there is a limited number of colors in the spectrum, and that granting trademark protection for a particular color creates the risk that available colors would run out, and "new entrants would be deterred from entering the market." *NutraSweet Co.* v. *Stadt Corp.*, 917 F.2d 1024, 1028 (1990). This concern is baseless.

*First*, "color depletion" erroneously assumes that there are not enough colors to sustain competition. In fact, as a result of modern developments in dye technology there are scores if not hundreds of distinct colors available for use. That was not true when *Saginaw Match* was decided. *See Dap Products, Inc.* v. *Color Tile Mfg., Inc.*, 821 F. Supp. 488, 495 (S.D. Ohio 1993) (color depletion "is not a persuasive theory in light of



available contemporary technology. There are a myriad of colors and shades available for products today that were certainly not available in the past."). *See also* A. Kornerup & J.H. Wanscher, *Color Atlas* 7 (Reinhold 1962) (containing the names and samples of 1,266 colors); K. Kelly & D. Judd, *The ISCC-NBS Method of Designating Colors and a Dictionary of Color Names* 4 (National Bureau of Standards, Circular 553, Government Printing Office 1955) (recognizing 7,500 distinct color names). *See generally* I. Cooper, *Trademark Aspects of Pharmaceutical Product Design*, 70 Trademark Rep. 1, 22-25 (1980) (noting that there is virtually an unlimited number of hues between the primary colors on the color spectrum).

The likelihood of exhausting all the shades of color is thus remote at best. As the Eighth Circuit has observed, "[u]ntil secondary meaning has been established in every distinguishable shade of color and in no color at all, *a highly improbable situation*, there will always be an option available to a new market entrant." *Master Distributors, Inc.* v. *Pako Corp.*, 986 F.2d 219, 223 (8th Cir. 1993) (emphasis added). Even the Ninth Circuit in *Qualitex* acknowledged "that there are countless shades of colors that could not be depleted." 13 F.3d at 1302.

*Second*, the theory as originally conceived erroneously assumed that a registration would be granted for a primary color "in all of its shades." *Campbell Soup Co.* v. *Armour & Co.*, 175 F.2d 795, 798 (3d Cir.), *cert. denied*, 338 U.S. 847 (1949). *See Saginaw Match Co.*, 142 F. at 729. But that is not how the Patent and Trademark Office handles applications. Instead, registrations are granted for a particular color as it is applied to a particular product. Trademark Manual of Examining Procedure § 1202.04(e).

*Third*, to the extent "color depletion" is concerned with competition, the Patent and Trademark Office's regulations prohibit the registration of a color mark where there is a competitive need for color in an industry. Trademark Manual of Examining Procedure § 1202.04(e). Those regulations essen-

tially apply the functionality doctrine to determine whether alternative colors are available to competitors. *See British Seagull Ltd.* v. *Brunswick Corp.*, 28 U.S.P.Q.2d 1197, 1199 (T.T.A.B. 1993) ("When we consider whether a color is functional we must consider *whether alternative colors are available in order to avoid the fettering of competition*. If competition will be hindered, the color in question is de jure functional.") (emphasis added), *aff'd*, 32 U.S.P.Q.2d 1120 (Fed. Cir. 1994). And if it is determined that a particular color is functional, registration will be refused. Trademark Manual of Examining Procedure § 1202.04(e); *Brunswick Corp.* v. *British Seagull Ltd.*, 32 U.S.P.Q.2d 1120, 1123 (Fed. Cir. 1994) ("if the use of color on the applicant's goods serves a non-trademark purpose that hinders competition, the de jure functionality doctrine precludes trademark protection").

*Finally*, there is no basis for making the "color depletion" concern a basis for denying registration in circumstances where there is no realistic possibility that "color depletion" could in fact take place. For example, Owens-Corning is the only manufacturer that uses color to distinguish its residential fiberglass insulation product; innumerable colors are available for any manufacturer (old or new) that wants to color its insulation. Using "color depletion" to deprive Owens-Corning and others similarly situated of their color registrations in these circumstances would amount to sacrificing the concrete benefits of registration to entirely speculative and conjectural fears.

### B. The "shade confusion" problem cannot justify a *per se* ban.

The other reason offered for a *per se* rule against trademark protection for color is the "shade confusion" theory: the supposed difficulty involved in distinguishing close shades of color. As stated by the Ninth Circuit in *Qualitex*, "[d]rawing distinctions between close shades of color could present unnecessary problems." *Qualitex*, 13 F.3d at 1302. But even if one assumed that distinguishing between shades of color can



create "problems," that would not justify denial of Lanham Act protection. Congress legislated to protect consumers from confusion and producers from unfair competition, not courts from having to deal with "problems." Congress has presented the courts with challenges before, and no doubt will do so in the future.

In any event, the notion that distinguishing between shades of color will present problems is highly dubious. The Patent and Trademark Office already distinguishes between shades of color without any apparent difficulty. *See In re Hodes-Lange Corp.*, 167 U.S.P.Q. 255 (T.T.A.B. 1970) (comparing a "brilliant yellow" band with a "bronzy gold" band); *Amsted Industries, Inc.* v. *West Coast Wire Rope & Rigging, Inc.*, 2 U.S.P.Q.2d 1755 (T.T.A.B. 1987) (comparing two adjacent wire rope strands of yellow to two adjacent strands of yellow and yellowish-green); *Youngstown Sheet & Tube Co.* v. *Tallman Conduit Co.*, 149 U.S.P.Q. 656 (T.T.A.B. 1966) (comparing gold band on one producer's sewer pipe with another's orange band).

There is no reason why courts could not do the same, particularly since organized color schemes and professional colorists are available to assist in differentiating one shade from another. *See Master Distributors, Inc.*, 986 F.2d at 224 ("as with any technical issue, expert witnesses are available to testify regarding the similarity of the colors at issue"); *Olay Co.* v. *Cococare Products, Inc.*, 218 U.S.P.Q. 1028, 1045 (S.D.N.Y. 1983) (court ordered that defendant use a "discernibly different pink" on its packaging). *See also* W.H. Peacock, *The Practical Art of Color Matching* 7 (American Cyanamid Co. 1953); A. Maerx & M.R. Paul, *A Dictionary of Color* 11-13 (McGraw-Hill 1950) (providing a step-by-step method for matching colors).

Moreover, "likelihood of confusion" is always an issue in trademark cases. The Federal Circuit was surely correct in concluding that " '[d]eciding likelihood of confusion among color shades . . . is no more difficult or subtle than

deciding likelihood of confusion where word marks are involved.' " *In re Owens-Corning*, 774 F.2d at 1123 (quoting *In re Owens-Corning Fiberglas Corp.*, 221 U.S.P.Q. 1195, 1198 (T.T.A.B. 1984)).

## Conclusion

In sum, the language, legislative history, administrative interpretation, and policies of the Lanham Act all indicate that Congress intended that color be afforded trademark protection in the appropriate circumstances. *Amicus curiae* Owens-Corning respectfully submits that this Court should reverse the judgment of the Ninth Circuit and reject the *per se* prohibition against the registration of colors as trademarks.

Dated: New York, New York
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No. 93-1577

IN THE
SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1994

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QUALITEX COMPANY,

*Petitioner,*

*v.*

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

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ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

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# BRIEF AMICUS CURIAE FOR THE BAR ASSOCIATION OF THE DISTRICT OF COLUMBIA IN SUPPORT OF REVERSAL

---

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## TABLE OF CONTENTS


| | | Page |
|---|---|---|
| I. | AUTHORITY TO FILE | 1 |
| II. | INTEREST OF AMICUS | 1 |
| III. | QUESTION PRESENTED | 1 |
| IV. | SUMMARY OF ARGUMENT | 2 |
| V. | ARGUMENT | 2 |
| | A. *PER SE* RULES ARE INAPPROPRIATE FOR THE FACT-BASED ANALYSIS REQUIRED TO DETERMINE WHETHER A MARK IS PROTECTABLE | 2 |
| | B. THE LANHAM ACT DOES NOT PROHIBIT THE REGISTRATION OF SINGLE COLOR MARKS | 5 |
| VI. | CONCLUSION | 9 |

Page

CASES:

*Boston Beer Co. v. Slesar Bros. Brewing Co.*, 9 F.3d 175 (1st Cir. 1993) . . . . . 3

*Chevron, U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984) . . . . . 5

*Clifton Mfg. Co. v. Crawford-Austin Mfg. Co.*, 12 S.W.2d 1098 (Tex. Civ. App. 1929) . . . . . 3

*Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85 (S.D. Iowa 1982) . . . . . 3

*In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973) . . . . . 7

*Master Distribs. Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993) . . . . . 3, 7

*NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990) . . . . . 4

*Olay Co. v. Cococare Prods., Inc.*, 218 U.S.P.Q. 1028 (S.D.N.Y. 1983) . . . . . 3

*In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) . . . . . 3-5, 7, 8

*Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297 (9th Cir.) . . . . . 2, 4, 5

*Sylvania Elec. Prods., Inc. v. Dura Elec. Lamp Co.*, 247 F.2d 730 (3d Cir. 1957) . . . . . 3



*Textron, Inc. v. United States Int'l Trade Comm'n*, 753 F.2d 1019 (Fed. Cir. 1985) . . . . . 3

*United States v. Topco Assocs., Inc.*, 405 U.S. 596 (1972) . . 4

*In re Yarn Processing Patent Validity Litig.*, 541 F.2d 1127 (5th Cir. 1976) . . . . . 4

*Yellow Cab Transit Co. v. Louisville Taxicab & Transfer Co.*, 147 F.2d 407 (6th Cir. 1945) . . . . . 3

STATUTES:

15 U.S.C. § 1051 . . . . . 2

15 U.S.C. § 1052 . . . . . 6, 7

15 U.S.C. § 1127 . . . . . 6

OTHER AUTHORITIES:

Lawrence B. Ebert, *Trademark Protection in Color: Do It by the Numbers!*, 84 Trademark Rep. 379 (1994) . . . . . 8

1 J. Thomas McCarthy, *Trademarks and Unfair Competition* § 7.06 (3d ed. 1994) . . . . . 3

Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554 (1993) . . . . . 8

S. Rep. No. 100-515, 100th Cong., 2d Sess. 44 (1988) . . . . 7

## I. AUTHORITY TO FILE

This brief *amicus curiae* is presented by the Bar Association of the District of Columbia under Rule 37.3 of this Court. Letters of consent from the parties are filed herewith.

## II. INTEREST OF AMICUS

The Bar Association of the District of Columbia is a voluntary nonprofit membership organization. Membership is not restricted to any segment of the profession and thus the members and their clients represent widely diverging interests and views. Members include attorneys in private practice as well as those employed by corporations and those in government.

The Patent, Trademark & Copyright Section of the Bar Association of the District of Columbia includes members of the bar regularly practicing in and interested in trademark law. Members frequently represent trademark owners and accused infringers and are thus concerned both with the enforcement of trademarks and with the defense against trademark infringement actions.

In this brief, the Bar Association of the District of Columbia seeks to persuade this Honorable Court that the Lanham Act does not prohibit the registration of color alone as a trademark.

## III. QUESTION PRESENTED

Whether the Lanham Act prohibits the registration of color as a trademark.

## IV. SUMMARY OF ARGUMENT

The Lanham Act, 15 U.S.C. § 1051, et seq. (1988 & Supp. V 1993), does not prohibit the registration of color as a trademark and a *per se* rule against the registrability of color is both unnecessary and inappropriate. Courts engaging in the factual analysis required to determine whether something is protectable as a trademark have protected single color marks in some fact situations. Thus, a *per se* rule banning protection for single color marks via federal registration is inappropriate.

The Lanham Act uses inclusive language, making registration available to any mark, with certain enumerated exceptions, that is "distinctive of the applicant's goods in commerce." The Act does not exclude color from registration as a trademark. Rather, the Act prohibits *denial* of registration to any mark on account of its nature.

The Ninth Circuit's holding in *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297 (9th Cir.), *cert. granted*, 115 S. Ct. 40 (1994), that color *per se* should not be registrable as a trademark, is at odds with the fundamental nature of the analysis required in trademark matters and is at odds with the Lanham Act itself. The Ninth Circuit's determination should be reversed.

## V. ARGUMENT

### A. *PER SE* RULES ARE INAPPROPRIATE FOR THE FACT-BASED ANALYSIS REQUIRED TO DETERMINE WHETHER A MARK IS PROTECTABLE

The standards for determining whether a mark is protectable as a trademark are well settled. Included in a court's analysis is



an examination of whether a mark is distinctive, *i.e.*, whether the mark is inherently distinctive, is descriptive of the goods, or is generic for the goods, *Boston Beer Co. v. Slesar Bros. Brewing Co.*, 9 F.3d 175, 180 (1st Cir. 1993); whether, if found to be descriptive, it has acquired distinctiveness, *Id.*; whether it consists of a legally functional aspect of the goods, *Textron, Inc. v. United States Int'l Trade Comm'n*, 753 F.2d 1019, 1025 (Fed. Cir. 1985); and whether it functions as a trademark, *see, e.g.*, 1 J. Thomas McCarthy, *Trademarks and Unfair Competition* § 7.06 (3d ed. 1994). Courts have used these factual standards to evaluate single color marks in a variety of circumstances and have already demonstrated that evaluation of single color marks is amenable to these standards. Moreover, the results of the application of these standards fall into no predictable pattern.

Some courts have stated that under certain fact situations, color alone is protectable as a trademark. *E.g.*, *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) (pink for fiberglass insulation); *Master Distribs. Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1993) (blue for leader splicing tape); *Yellow Cab Transit Co. v. Louisville Taxicab & Transfer Co.*, 147 F.2d 407 (6th Cir. 1945) (yellow for taxi cabs); *Clifton Mfg. Co. v. Crawford-Austin Mfg. Co.*, 12 S.W.2d 1098 (Tex. Civ. App. 1929) (reddish brown for tents, tarpaulins, and wagon covers). Other courts have found facts supporting denial of protection of a single color mark. *E.g.*, *Olay Co. v. Cococare Prods., Inc.*, 218 U.S.P.Q. 1028 (S.D.N.Y. 1983) (pink for beauty lotion had not acquired a secondary meaning); *Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85, 96-98 (S.D. Iowa 1982) (protection of green farm equipment would hinder competition), *aff'd*, 721 F.2d 253 (8th Cir. 1983) (per curiam); *Sylvania Elec. Prods., Inc. v. Dura Elec. Lamp Co.*, 247 F.2d 730 (3d Cir. 1957) (blue dot on flashbulb not valid trademark because it was functional). These cases demonstrate that whether or not a single color mark will pass muster as a trademark depends on the circumstances of the particular case. In light of this factual

dependency, a *per se* rule against single color marks is inappropriate.

*Per se* rules are appropriate where the presence of a particular factor or factors leads to a predictable result regardless of the other factors present. *United States v. Topco Assocs., Inc.*, 405 U.S. 596, 607 (1972); *see also In re Yarn Processing Patent Validity Litig.*, 541 F.2d 1127, 1134 (5th Cir. 1976), *cert. denied*, 433 U.S. 910 (1977). Courts, however, have not found single color marks to be predictably unprotectable.

The Seventh Circuit's stated desire to avoid a review of marketplace factors and its explicit refusal to adopt a fact-driven standard, *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1028 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991), and the Ninth Circuit's implied concurrence with this position, *Qualitex*, 13 F.3d at 1302, are without foundation in trademark law. The decision of whether *any* type of mark functions as, or is protectable as, a trademark depends heavily on the particular facts associated with the mark. That the claimed trademark is a color should not change this analysis.

Two reasons frequently cited as bases for application of a *per se* rule against protection of color as a trademark are color depletion and shade confusion. However, these concerns do not arise consistently and thus are insufficient to support the creation of a *per se* rule against single color marks. Even in the present case, the Ninth Circuit found color depletion not to be of concern. *Qualitex*, 13 F.3d at 1302. And the issue of shade confusion is no different than the issue of confusion of word marks frequently addressed by the courts, *see Owens-Corning*, 774 F.2d at 1123. Thus, neither concern provides a basis for a *per se* rule.

A *per se* ban on the protection of single color marks will foreclose protection to those marks that would survive a full,



fact-driven examination. Worse, to disallow trademark protection in those instances where a single color functions as a trademark may increase rather than diminish consumer confusion — contrary to one of the basic purposes of trademark law, *see Owens-Corning*, 774 F.2d at 1119 (discussing the Lanham Act). When the overall color of a product has acquired such distinctiveness that consumers rely upon it as a trademark, then others should be prevented from appropriating that color mark in order to protect those consumers. A *per se* rule would foreclose this possibility.

### B. The Lanham Act does not Prohibit the Registration of Single Color Marks

The Ninth Circuit forgoes reliance upon enacted law in its decision in *Qualitex* and instead engages, inappropriately, in a legislative/policy choice. The Ninth Circuit rationalized that single color marks should not be registered, because "[a]dequate protection is available when color is combined in distinctive patterns or designs or combined in distinctive logos." *Qualitex*, 13 F.3d at 1302. But it is the province of the legislature, not the judiciary, to determine what is adequate protection. And in the Lanham Act the plain meaning of the statute is clear and, therefore, conclusive. *See Chevron, U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 842-43 (1984).

The Act defines a "trademark" broadly, without boundaries as to species of marks:

> any word, name, symbol, or device or any combination thereof . . . used by a person . . . to identify and distinguish [that person's] goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

Lanham Act, § 45, 15 U.S.C. § 1127. Under the statute, the defining characteristic of a trademark is its ability "to identify and distinguish." *Id.* Color, in whatever form, falls within this definition, so long as it identifies and distinguishes one person's goods from those of another.

The criteria for registration set forth in Section 2 of the Act also does not exclude color as a trademark:

> No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register *on account of its nature* unless it [consists of immoral, deceptive, or scandalous matter; an insignia of the United States, a state, or a municipality; a name, portrait, or signature of a living individual; or a mark which is impermissibly descriptive].

Lanham Act, § 2, 15 U.S.C. § 1052 (emphasis added). Not only is there no restriction on the type of mark which is registrable, outside of the narrow, noncolor-related exceptions set forth in the Act, but Section 2 explicitly states that no trademark shall be refused registration *on account of its nature*. Thus, a mark is not to be refused registration on the basis that, by its "nature," it consists of a single color.

The final subsection of Section 2 of the Act requires the registration of any mark not specifically excluded by the prior subsections, if such mark has become distinctive of the goods or services:

> except as expressly excluded in . . . this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce.



Lanham Act, § 2(f), 15 U.S.C. § 1052(f). Thus, the Act is inclusive, not exclusive. Anything can qualify for trademark protection, so long as that thing is capable of functioning as a trademark according to the requirements of distinctiveness (and other statutory requirements). The Act rewards competitive efforts to develop a distinguishing mark, whatever that mark may be. A person who succeeds in developing an identifying symbol obtains protection for that symbol as a trademark. Therefore, so long as an asserted color mark functions as a trademark, the Act forbids denial of its registration.

Moreover, the legislative history of the Lanham Act supports such an inclusive interpretation of the Act. As enacted in 1946, Congress intended the Lanham Act to expand the protection of trademarks:

> The legislative history of the Act as a whole describes its objective as making registration "more liberal," dispensing with "mere technical prohibitions and arbitrary provisions" and modernizing the trademark statutes "so that they will conform to legitimate present-day business practice."

*Owens-Corning*, 774 F.2d at 1119 (quoting *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1360 (C.C.P.A. 1973)). The legislative history of the extensive 1988 amendments to the Act include a specific endorsement of color as a trademark. In 1988, Congress changed the definition of a trademark in Section 45 of the Lanham Act, but only to alter the requirements for use. It "intentionally retain[ed] . . . the words 'symbol or device' *so as not to preclude the registration of colors*, shapes, sounds or configurations where they function as trademarks." S. Rep. No. 100-515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607 (emphasis added) and quoted in *Master Distribs.*, 986 F.2d at 224. Thus, despite having before it the issue of the registrability of color, and despite the pre-existence of

*Owens-Corning* upholding protection of a single color mark (pink for fiberglass insulation) and the extensive attention given to that case,[1] Congress specifically chose not to exclude color as a type of trademark available for registration.

In keeping with the breadth of the definition of a mark, the Patent and Trademark Office has registered a wide variety of somewhat unconventional trademarks, including

> the shape of a household cleaner bottle, the triangular shape of a chemical, a wine bottle, the sound of the Liberty Bell ringing, the sound of a creaking door, the musical notes GEC, a stylized key logo as a jewelry design, and the fragrance of Plumeria blossoms as applied to sewing thread and embroidery yarn.

Lawrence B. Ebert, *Trademark Protection in Color: Do It by the Numbers!*, 84 Trademark Rep. 379, 382 (1994) (citations omitted).

Under the statute, anything capable of distinguishing a product or service qualifies for registration. The statutory restrictions on what is and is not a registrable trademark focus not on type, but on the capacity of a particular claimed mark to distinguish one entity's goods or services from those of another, and to function as an indication of the source of those goods or services. A prohibition on the registrability of color is without basis under the Lanham Act.

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[1] *See* Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 Trademark Rep. 554, 559 (1993), citing four articles favorably discussing *Owens-Corning*, each of which was published in 1986, and thus prior to the 1988 amendments to the Lanham Act.



## VI. CONCLUSION

A *per se* rule prohibiting the registrability of color as a trademark is inappropriate since a fact-based analysis may reveal that a single color does function as a trademark and, therefore, qualifies for protection as a trademark. Moreover, the inclusive language of the Lanham Act does not exclude the registrability of color.

Therefore, the Ninth Circuit's determination that color *per se* should not be registrable as a trademark should be reversed.

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# In the Supreme Court of the United States

OCTOBER TERM, 1994

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QUALITEX COMPANY, PETITIONER

v.

JACOBSEN PRODUCTS CO., INC., RESPONDENT

---

**On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit**

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## BRIEF FOR THE B.F. GOODRICH COMPANY AS AMICUS CURIAE SUPPORTING PETITIONER

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19pp

## QUESTION PRESENTED

Whether the Lanham Act, 15 U.S.C. 1051 *et seq.*, prohibits the registration of color as a trademark.

## TABLE OF CONTENTS

Page

QUESTION PRESENTED . . . . . i

TABLE OF AUTHORITIES . . . . . iv

INTEREST OF THE AMICUS CURIAE . . . . . 1

INTRODUCTION AND SUMMARY OF ARGUMENT . . . . . 3

ARGUMENT . . . . . 4

THE LANHAM ACT PERMITS THE REGISTRATION OF COLOR TRADEMARKS . . 4

A. The Plain Language And Legislative History Of The Lanham Act Clearly Permit The Registration Of Color Trademarks. . . . . 5

B. The Patent And Trademark Office Has Construed The Lanham Act As Permitting The Registration of Color Trademarks, And That Determination Is Entitled To Substantial Deference. . . . . 8

C. The Concerns Articulated By The Court Of Appeals Do Not Require A *Per Se* Bar To Registration Of Color Trademarks. . . . . 10

1. Shade Confusion . . . . . 11

2. Color Depletion . . . . . 12

CONCLUSION . . . . . 13

## TABLE OF AUTHORITIES


**Cases:** **Pages**

*Chevron U.S.A., Inc.* v. *Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984) . . . . . 7-9

*In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (1985) . . . . . 3, 8, 9, 12

*Inwood Laboratories, Inc.* v. *Ives Laboratories, Inc.*, 456 U.S. 844 (1982) . . . . . 12

*Master Distributors, Inc.* v. *Pako Corporation*, 986 F.2d 219 (1993) . . . . 4, 9, 11, 12

*Nutrasweet Company* v. *Stadt Corp.*, 917 F.2d 1024 (1990), cert. denied, 499 U.S. 983 (1991) . . . . . 4, 11

*Park 'N Fly, Inc.* v. *Dollar Park and Fly, Inc.*, 469 U.S. 189 (1985) . . . . . 4, 5, 8, 11

*Rust* v. *Sullivan*, 500 U.S. 173 (1991) . . . . . 8, 9

*Two Pesos, Inc.* v. *Taco Cabana, Inc.*, 112 S. Ct. 2753 (1992) . . . . . 6

**Statutes:**

15 U.S.C. 1051 . . . . . 3, 8

15 U.S.C. 1052 . . . . . 5

15 U.S.C. 1052(f) . . . . . 6

15 U.S.C. 1057(b) . . . . . 9




## TABLE OF AUTHORITIES - Continued


**Pages**

15 U.S.C. 1062 . . . . . 8

15 U.S.C. 1064. . . . . 8

15 U.S.C. 1123 . . . . . 8

15 U.S.C. 1127 . . . . . 5

Pub. L. No. 100-667, 102 Stat. 3935 (1988) . . . . . 6, 7

Pub. L. No. 103-182, 107 Stat. 2057 (1993) . . . . . 10

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USTA Trademark Review Commission, *Report and Recommendations on the United States Trademark System and the Lanham Act*, 77 Trademark Rep. 375 (1987) . . . . . 7

North American Free Trade Agreement . . . . . 10

**TABLE OF AUTHORITIES - Continued**


| | Pages |
|---|---|
| The North American Free Trade Agreement: Statement of Administrative Action | 10 |
| H. Doc. 103-159, 103d Cong., 1st Sess., Vol. 1 (1993) | 10 |
| H. Rep. 100-1028, 100th Cong., 2d Sess. (1988) | 7 |
| S. Rep. 100-515, 100th Cong., 2d Sess. (1988) | 6, 7 |


# In the Supreme Court of the United States

OCTOBER TERM, 1994

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No. 93-1577

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QUALITEX COMPANY, PETITIONER

v.

JACOBSEN PRODUCTS CO., INC., RESPONDENT

---

**On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit**

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## BRIEF FOR THE B.F. GOODRICH COMPANY AS AMICUS CURIAE SUPPORTING PETITIONER

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## INTEREST OF THE AMICUS CURIAE

Amicus curiae, The B.F. Goodrich Company ("Goodrich"), is a New York corporation engaged in producing a wide array of products in the aerospace and specialty chemical industries, including specialty plastics. Among its many products, Goodrich and its licensees have invested more than a decade of effort, and millions of dollars,

to produce and market high-quality plastic fire sprinkler pipes and fittings with a distinctive orange color. The products are widely and readily identified by Goodrich's "ORANGE" trademarks.

In 1983, Goodrich began developing a CPVC (chlorinated polyvinyl chloride) compound solely for use in making fire sprinkler pipes and fittings. The natural color of the CPVC resin was off-white; rather than maintain that natural color, however, Goodrich decided to add an orange color to the resin in order to distinguish the sprinkler pipes and fittings made from the CPVC compound. Until recently, amicus' "ORANGE" pipes and fittings were the only orange plastic pipes and fittings in the entire fire sprinkler industry.

Goodrich has spent millions of dollars promoting these "ORANGE" products. The company's licensees have also aggressively promoted the "ORANGE" pipes and fittings. As a result, sales of Goodrich's "ORANGE" compounds and the "ORANGE" pipes and fittings have been strong, and its "ORANGE" trademarks have become enormously valuable business assets of the company.

To protect its substantial investment and rights, on April 15, 1991, Goodrich filed with the United States Patent and Trademark Office an application to register as a federal trademark the color "ORANGE" for CPVC compounds. On December 28, 1993, the Patent and Trademark Office issued United States Registration No. 1,813,257 covering the color "ORANGE" for CPVC compounds for use in making CPVC pipes and fittings for fire sprinkler systems.

On the same day it filed the "ORANGE" trademark application for CPVC compound, amicus also filed an application to register as a federal trademark the color "ORANGE" for CPVC pipes and fittings. The Patent and Trademark Office determined that Goodrich had met the requirements for federal trademark registration. Accordingly, on August 10, 1993, the Patent and Trademark Office



published the "ORANGE" trademark for CPVC sprinkler pipes and fittings in its Official Gazette, as it routinely does, inviting any private company that so desired to lodge an objection with the Patent and Trademark Office. Thereafter, potential competitors filed Notices of Opposition to the issuance of a registration covering amicus' "ORANGE" trademark for CPVC pipes and fittings for use in fire sprinkler systems.

The Court's resolution of the question presented will affect the company's pending trademark application and could undermine the substantial investment amicus has made during the past ten years in its "ORANGE" trademarks. More generally, Goodrich's practical experience with the issues at stake may provide additional perspective on the case before the Court.

## INTRODUCTION AND SUMMARY OF ARGUMENT

When it enacted the Lanham Act in 1946, 15 U.S.C. 1051, *et seq.*, Congress articulated the central role of trademarks in a vibrant and competitive economy:

> Trade-marks * * * are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from another. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not.

Applying these fundamental principles, the Federal Circuit has held that color is entitled to registration as a trademark. *In re Owens-Corning Fiberglas Corp.*, 774 F.2d

1116, 1118 (1985). More recently, the Eighth Circuit reached the same conclusion. *Master Distributors, Inc.* v. *Pako Corporation*, 986 F.2d 219 (1993). By contrast, the Seventh Circuit in *Nutrasweet Company* v. *Stadt Corp.*, 917 F.2d 1024 (1990), cert. denied, 499 U.S. 983 (1991), and the Ninth Circuit in the present case have held that the Lanham Act flatly prohibits the registration of color trademarks.

In our view, the Federal and Eighth Circuits have much the better of the argument. The plain language of the statute, confirmed by its broad purposes and legislative history, permit the registration of color. And if there were any lingering doubt on the matter, the Patent and Trademark Office's permissible construction of the Act to allow such registrations is entitled to substantial deference.

The court below took a different view, but its conclusions find no support in the statute. Even if there were — as the court of appeals supposed (Pet. App. 7a) — potential problems of "color depletion" or "shade confusion," those would not warrant a *per se* prohibition for color. Rather, those concerns could, and should, be accommodated on an application-by-application basis — without rewriting the broad, inclusionary language of the statute.

## ARGUMENT

### THE LANHAM ACT PERMITS THE REGISTRATION OF COLOR TRADEMARKS

"Congress enacted the Lanham Act in 1946 in order to provide national protection for trademarks used in interstate and foreign commerce." *Park 'N Fly, Inc.* v. *Dollar Park and Fly, Inc.*, 469 U.S. 189, 193 (1985). The statute is deliberately broad. As this Court has explained, "Congress determined that 'a sound public policy requires that trademarks should receive nationally the greatest protection that can be given them.'" *Ibid.* (quoting S. Rep. No. 1333, 79th Cong., 2d Sess., 6 (1946)). The language, purposes,



history, and administrative construction of the Act reflect that broad purpose. Taken together, these statutory sources clearly permit the registration of color trademarks.

#### A. The Plain Language And Legislative History Of The Lanham Act Clearly Permit The Registration Of Color Trademarks.

1. Interpretation of the Lanham Act "must begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose." *Park 'N Fly*, 469 U.S. at 194. Here, the text is dispositive: "trademark" expressly "includes any word, name, symbol, or device, or any combination thereof * * * used by a person * * * to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of those goods, even if that source is unknown" (15 U.S.C. 1127). That definition easily embraces color. Color is certainly a "symbol or device" that is capable of "distinguishing" goods from those sold by others and can readily "indicate the source of those goods." Indeed, Goodrich's use of ORANGE illustrates the point. The company has invested substantial resources "using" the color orange to "identify and distinguish" its CPVC pipes and fittings. And the available evidence confirms that, as a result, the color "indicates the source of the goods."

Because color is well within the broad definition of "trademark," the statute clearly permits its registration. The Act specifically prescribes that "[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature" — unless it falls within one or more narrowly defined exceptions. See 15 U.S.C. 1052.[1] Since

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[1] Under 15 U.S.C. 1052 registration may be refused if the trademark consists of: immoral or scandalous matter; deceptive

none of those exceptions applies to color — as the court below expressly recognized (see Pet. App. 5a) — the Act clearly permits color registration. Absent an "express exclusion," the statute flatly states that "nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce" (15 U.S.C. 1052(f)).

2. Recent legislative history of the Lanham Act confirms that color may be registered as a trademark. The Lanham Act was "substantially amended" (*Two Pesos, Inc.* v. *Taco Cabana, Inc.*, 112 S. Ct. 2753, 2757 n.7 (1992)) by the Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935 (1988) ("TLRA"). One of those amendments was to the definition of "trademark." But in making that very crucial amendment, Congress made quite clear that it sought to *preserve* the availability of trademark registration for color. As the Senate Report explained: "The revised definition intentionally retain[ed] * * * the words 'symbol or device' so as not to preclude the registration of *colors*, shapes, sounds or configurations where they function as trademarks." S. Rep. 100-515, 100th Cong., 2d Sess., 44 (1988) (emphasis added).

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matter; matter that may disparage, falsely suggest a connection, or bring into contempt or disrepute; a flag, coat of arms or other insignia of the United States, or a state, municipality, or foreign nation; the name, portrait, or signature of a particular living individual or deceased U.S. president without consent; matter that may cause confusion or mistake with respect to a registered or pending trademark; matter that is merely descriptive of the goods; or, is merely a surname. The Patent and Trademark Office also recognizes several non-Lanham Act grounds for refusing to issue a registration. See Patent and Trademark Office, *Trademark Manual of Examining Procedures* § 1205 (2d ed. 1993) (discussing various federal statutes protecting symbols such as "Smokey Bear," as well as the Paris Convention for the Protection of Industrial Property).



The TLRA was based on recommendations of the Trademark Review Commission (the "Commission") of the United States Trademark Association. S. Rep. 100-515, at 2-3; H. Rep. 100-1028, 100th Cong., 2d Sess., 2-3 (1988). In discussing the appropriate definition of "trademark," the Commission explained (77 Trademark Rep. 375, 421 (1987) (emphasis added)):

> The Commission determined that the terms "symbol, or device" should not be deleted or narrowed to preclude registration of such things as a *color*, shape, smell, sound, or configuration which functions as a mark. The Commission does not intend to limit in any way the subject matter which historically has qualified as a trademark or service mark.[2]

The language and history of the Lanham Act could not be plainer: color registration is clearly permitted. Because "the intent of Congress is clear, that is the end of the matter." *Chevron U.S.A., Inc.* v. *Natural Resources Defense Council, Inc.*, 467 U.S. 837, 842 (1984).

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[2] The Senate report on the TLRA described the process by which the Commission reached its recommendations (S. Rep. 100-515, 100th Cong., 2d Sess., 2-3):

> [T]he 2-year study * * * was not limited to the views of the Commission's 29 members. Throughout the process, input from diverse public and private interests served by the Lanham Act was sought. Hundreds of trademark owners and practitioners, more than 50 organizations, Government officials in the United States and abroad, and eminent scholars in the fields of constitutional, commercial, trademarks and unfair competition law contributed to the project.

### B. The Patent And Trademark Office Has Construed The Lanham Act As Permitting The Registration of Color Trademarks, And That Determination Is Entitled To Substantial Deference.

Although the statute is surely plain enough, any lingering doubt should be resolved in favor of registration in light of the judgment of the Patent and Trademark Office ("PTO") that the Lanham Act permits color registration. It is, of course, well settled that the construction of a statute by an agency charged with administering that statute may not be disturbed if it is a plausible construction of the statute and does not otherwise conflict with the express intent of Congress. *Rust* v. *Sullivan*, 500 U.S. 173, 184 (1991); *Chevron*, 467 U.S. at 843-844. The PTO is charged with administering trademark registrations under the Lanham Act, and it is vested with substantial responsibilities in that connection. See 15 U.S.C. 1051 (applications to be filed with the PTO); 15 U.S.C. 1062 (authority to determine entitlement to registration); and 15 U.S.C. 1123 (authority to promulgate rules regarding trademark applications).[3]

Even before the Federal Circuit's decision in *Owens-Corning*, the PTO's Trademark Trial and Appeal Board had determined that "the overall color of goods is capable of functioning as a trademark." *Owens-Corning*, 774 F.2d at 1118. The Office's position on the issue is set out in its

[3] Trademark registration is not reflexively granted. *Park 'N Fly*, 469 U.S. at 202 (setting out the examination process, as well as the potential for challenges to the registration of a trademark). Amicus' own experience with registrations of its color marks demonstrates that both the Patent and Trademark Office, as well as the public, are able to bring substantial scrutiny to the registration process. Indeed, public opposition to Goodrich's color trademark has substantially delayed approval. And even in the event approval issues, the public may petition for cancellation of the trademark. See 15 U.S.C. 1064.



Trademark Manual of Examining Procedure. "The Manual contains guidelines for Examining Attorneys and materials in the nature of information and interpretation, and outlines the procedures which Examining Attorneys are required or authorized to follow in the examination of trademark applications." Patent and Trademark Office, *Trademark Manual of Examining Procedure* iii (2d ed. 1993) ("Trademark Manual"). With regard to the registrability of color, the Trademark Manual emphatically states (*Id.* § 1202.04(e) at 1202-13):

> [C]olor can function as a trademark if it is used on the goods in the manner of a trademark and if it is perceived by the purchasing public as identifying and distinguishing the goods on which it is used and indicating their source.

That policy statement is entirely consistent with the statute. See *Owens-Corning*, 774 F.2d at 1118; *Master Distributors, Inc.*, 986 F.2d at 224. Indeed, the court below acknowledged that the PTO's construction did not conflict with any express language of the Lanham Act. See Pet. App. 5a. Because the PTO has articulated a permissible construction of the Lanham Act, that construction is entitled to substantial deference. See *Rust*, 500 U.S. at 184; *Chevron*, 467 U.S. at 844. And deference is particularly appropriate in this setting because Congress has expressly stated in the Lanham Act that "[a] certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registered mark * * *" (15 U.S.C. 1057(b)).[4]

[4] Additional support for the conclusion that the Lanham Act permits the registration of color trademarks can be derived from the implementation of the North American Free Trade Agreement ("NAFTA"). NAFTA, signed by the President on December 17, 1992, expressly requires, in Article 1708, that each party to the

### C. The Concerns Articulated By The Court Of Appeals Do Not Require A *Per Se* Bar To Registration Of Color Trademarks.

The court of appeals recognized that "[r]egistration of mere color is not explicitly barred by the Lanham Act." Pet. App. 5a. It concluded, however, that the prospect of "shade confusion" or "color depletion" required a different result. *Id.* at 7a. Neither concern warrants a *per se* bar to the registration of color trademarks.[5]

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agreement provide a system for the registration of trademarks. NAFTA, *reprinted in* H. Doc. 103-159, 103d Cong., 1st Sess., Vol. 1, at 1200-1202 (1993). Article 1708 explicitly defines the term "trademark" to include colors. *Id.* at 1200 ("a trademark consists of any sign * * * capable of distinguishing the goods or services of one person from those of another, including * * * colors"). By subscribing to the Agreement, the United States represented that its laws will provide for the registration of color trademarks.

In 1993, Congress enacted the North American Free Trade Agreement Implementation Act, Pub. L. No. 103-182, 107 Stat. 2057 (1993) (the "Implementation Act"), in order to effect whatever changes in United States law were necessary to implement NAFTA. See The North American Free Trade Agreement Implementation Act: Statement of Administrative Action, *reprinted in* H. Doc. 103-159, 103d Cong., 1st Sess., Vol. 1, at 450 (1993). Presumably, if current United States law did not already permit the registration of color trademarks, the Implementation Act would have addressed that issue. But the Act made no changes to the Lanham Act with respect to the registrability of color trademarks. See Implementation Act §§ 331-335. The absence of any such changes confirms that existing law already provided for such registrations.

[5] The court of appeals also suggested that registration was unnecessary because sufficient "protection is afforded by the Lanham Act's unfair competition provisions." Pet. App. 7a-8a.



#### 1. Shade Confusion.

Some courts have speculated that color trademarks should not be granted registration because "infringement actions could soon degenerate into questions of shade confusion." *Nutrasweet Company*, 917 F.2d at 1027. But "[o]ne searches the language of the Lanham Act in vain" (*Park 'N Fly*, 469 U.S. at 196) to locate such an exception to the plain mandate of the text. What is more, even if there are, occasionally, cases that pose some difficulty in "[d]rawing distinctions" among colors, that is hardly a reason to create a *per se* exception from the statute. After all, courts are routinely called upon to decide equally complex factual issues in trademark cases, and there is no reason to believe that resolving questions of "shade confusion" is outside the competence of the courts. See *Master Distributors, Inc.*, 986 F.2d at 223.

#### 2. Color Depletion.

The court below also surmised (Pet. App. 7a) that if registrations were granted for colors, competitors would find themselves at an increasing disadvantage as the available

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That is unpersuasive. "Registration of a mark on the federal Principal Register confers a number of procedural and substantive legal advantages over reliance on common law rights." J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 19.05 (3d ed. 1994) (listing several advantages, including: federal jurisdiction for infringement actions without the necessity of any required amount in controversy; the availability of treble damages and attorney fees; prima facie evidence of the validity of the registered mark; the possibility that the mark will become "incontestable"; and the elimination, through constructive notice, of good faith adoption defenses). Because of those advantages, the option of enforcing common law trademark rights through an unfair competition action under Section 43(a) of the Lanham Act is not as useful as registration, and thus is no basis for refusing registration of an otherwise valid trademark.

colors are "depleted." See *McCarthy on Trademarks* § 7.16[1]. But as the court explained in *Owens-Corning*, that concern does not warrant a *per se* prohibition — which, as the court explained, is "in conflict with the liberating purposes of the Act." *Owens-Corning*, 774 F.2d at 1120. In the first place, it is doubtful that a full spectrum of color would ever be monopolized through registration. See *Master Distributors*, 986 F.2d at 223 ("Until secondary meaning has been established in every distinguishable shade of color and in no color at all, a highly improbable situation, there will always be an option available to a new market entrant"); see also, Newman, *Kill the "Mere Color" Rule*, 61 U. Chi. L. Rev. 1595, 1610 (1994) ("[U]nder good lighting conditions the average person can distinguish among five million shades"). In any event, if — in a particular case — color depletion threatens the pro-competitive premises of the Lanham Act, registration can be denied on a case-by-case basis. Indeed, where there is a serious risk of actual color depletion, color would likely be considered "functional" for that particular product, and thus outside the ambit of trademark protection. See *Inwood Laboratories, Inc.* v. *Ives Laboratories, Inc.*, 456 U.S. 844, 853 (1982) (describing a finding that the color of certain drugs was functional and thus unprotectible). In that event, competitors that wished to use that color would be free to do so. But there is no need for a *per se* rule. And more fundamentally, such a *per se*, and ad hoc, exception to the broad reach of the statute cannot be squared with its plain meaning and evident purposes.



## CONCLUSION

The judgment of the court of appeals should be reversed.

Respectfully submitted.

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No. 93-1577

IN THE
# Supreme Court of the United States
OCTOBER TERM, 1994

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QUALITEX COMPANY,
*Petitioner,*
v.
JACOBSON PRODUCTS CO., INC.,
*Respondent.*

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**On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit**

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## BRIEF OF AMICUS CURIAE INTELLECTUAL PROPERTY OWNERS IN SUPPORT OF THE PETITIONERS

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## TABLE OF CONTENTS


| | Page |
|---|---|
| TABLE OF AUTHORITIES | ii |
| INTEREST OF THE AMICUS CURIAE | 1 |
| SUMMARY OF ARGUMENT | 2 |
| ARGUMENT | 3 |
| I. THE PLAIN MEANING OF THE STATUTORY LANGUAGE IN THE LANHAM ACT PERMITS THE REGISTRATION OF COLOR ALONE AS A TRADEMARK | 3 |
| II. THE RULING BY THE COURT OF APPEALS CONFLICTS WITH THE POLICY UNDERLYING THE LANHAM ACT OF PROTECTING AGAINST UNFAIR COMPETITION | 6 |
| III. THE RULING BY THE COURT OF APPEALS CONFLICTS WITH THE POLICY UNDERLYING THE LANHAM ACT OF ENCOURAGING REGISTRATION OF MARKS IN ORDER TO ENABLE COMPETITORS TO KNOW OF RIGHTS IN MARKS | 8 |
| CONCLUSION | 9 |
| ADDENDUM | |
| Members of Board of Directors of Intellectual Property Owners | 1a |

## TABLE OF AUTHORITIES


| CASES | Page |
|---|---|
| *Brunswick Corp. v. British Seagull, Ltd.*, —— F.3d ——, 32 USPQ 2d 1120 (Fed. Cir. 1994) | 8 |
| *Inwood Laboratories, Inc. v. Ives Laboratories*, 456 U.S. 844 (1982) | 8 |
| *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (8th Cir. 1992) | 7 |
| *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) | 6 |
| *Two Pesos Inc. v. Taco Cabana Inc.*, 120 L.Ed.2d 615 (1992) | 6 |
| **STATUTES** | |
| 15 U.S.C. § 1052 (Lanham Act, § 2) | 3, 8 |
| 15 U.S.C. § 1052(f) (Lanham Act, § 2(f)) | 3, 4 |
| 15 U.S.C. § 1065 (Lanham Act, § 15) | 8 |
| 15 U.S.C. § 1072 (Lanham Act, § 22) | 8 |
| 15 U.S.C. § 1091 (Lanham Act, § 23) | 8 |
| 15 U.S.C. § 1093 (Lanham Act, § 25) | 8 |
| 15 U.S.C. § 1094 (Lanham Act, § 26) | 8 |
| 15 U.S.C. § 1125(a) (Lanham Act, § 43(a)) | 6 |
| 15 U.S.C. § 1127 (Lanham Act, § 45) | 4 |
| **OTHER** | |
| North American Free Trade Agreement, 32 I.L.M. 605 (1992) | 5 |
| Pub. L. No. 103-182 (1993) | 5 |
| S. Rep. No. 100-515, 100th Cong., 2nd Sess. (1988) | 4 |
| Trademark Manual of Examining Procedure, 2d ed. 1993, U.S. Patent and Trademark Office | 8 |
| J.E. Hawes, Trademark Registration Practice § 2.03 (1994) | 8 |


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QUALITEX COMPANY,
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**On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit**

## BRIEF OF AMICUS CURIAE INTELLECTUAL PROPERTY OWNERS IN SUPPORT OF THE PETITIONERS

### INTEREST OF THE AMICUS CURIAE

Intellectual Property Owners ("IPO") files this amicus curiae brief in support of petitioner Qualitex Company on the writ of certiorari to review the ruling of the United States Court of Appeals for the Ninth Circuit.

IPO was founded in 1972 by a group of individuals who were concerned about the lack of understanding of intellectual property rights in the United States. Members now include nearly one hundred large and medium size companies and some smaller businesses and independent inventors who own patents, trademarks, copyrights and

other intellectual property rights. Members of IPO's Board of Directors are listed in the addendum to this brief. IPO is a nonprofit association exempt from federal income tax under Internal Revenue Code § 501(c)(6).

Trademarks are symbols of product and service quality and indicators of source. Trademarks enable IPO's members to invest in advertising that builds commercial reputation and public confidence in product and service quality.

Members of IPO register thousands of trademarks each year with the United States Patent and Trademark Office, and enforce their registered marks in the federal courts to prevent infringement, counterfeiting, and piracy. Federal registration is important in helping assure adequate legal protection for marks that IPO's members use on new and existing products and services. It is in the interest of IPO's members for the Court to rule that the Lanham Act does not prohibit the registration of color alone as a trademark.

## SUMMARY OF ARGUMENT

The question accepted for review must be answered by recourse to the language in the Lanham Act. Color is capable of distinguishing a product from the products of others, and color comes within the definition of "trademark" in the Lanham Act. None of the exceptions to registrability of marks listed in the Lanham Act have any relevance to Qualitex's mark, so the mark should have been found registrable in accordance with the plain meaning of the words of the act.

The ruling by the Court of Appeals conflicts with the policy underlying the Lanham Act of protecting against unfair competition. The Lanham Act requirements for protecting registered and unregistered marks are similar.

Registration of color alone advances the Lanham Act's objective of encouraging registration of as many of the



marks in use as practicable. Firms search registered marks to determine potential conflicts before adopting a new mark. The benefits provided by the Lanham Act to trademark owners who register their marks should be available to owners of color marks to the same extent as to owners of other kinds of marks.

## ARGUMENT

### I. THE PLAIN MEANING OF THE STATUTORY LANGUAGE IN THE LANHAM ACT PERMITS THE REGISTRATION OF COLOR ALONE AS A TRADEMARK

The question accepted for review—whether the Lanham Act prohibits the registration of color as a trademark—must be answered by relying on the language in the act.

Section 2(f) of the Lanham Act is the principal section that is relevant to the question of whether the act prohibits the registration of color alone as a trademark. This section, which relates specifically to marks that have become distinctive of the applicant's goods (marks that have acquired secondary meaning), reads as follows:

> Except as expressly excluded in paragraphs (a), (b), (c), (d), and (e)(3) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. . . .[1]

Since none of the exclusions referenced in this section relate to color, it is clear that the Lanham Act does not prohibit the registration of color alone as a trademark.

The foregoing conclusion is supported by the Court of Appeals opinion, which states:

> Registration of mere color is not explicitly barred by the Lanham Act, which provides that "[n]o trade-

[1] 15 U.S.C. § 1052(f) (Lanham Act, § 2(f)). The preamble to Section 2 of the act also indicates that marks must be registered unless one of the exceptions in the act applies: "No trademark . . . shall be refused registration . . . unless . . . ."

> mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration," 15 U.S.C. § 1052, unless one of the specific exceptions to registrability set forth in 15 U.S.C. § 1052 applies. Color is not listed as an exception.[2]

A related question is whether the Lanham Act not only does not prohibit the registration, but in fact contemplates the registration of color alone when the color has met all of the other requirements of the act for registration. It is submitted that registration of color alone clearly is contemplated by the act. If a color has acquired secondary meaning and none of the exceptions of Section 2(f) are applicable, then a fair reading of the language of the Lanham Act taken along with legislative history supports the view that registration of the color alone is to be permitted under the act.

The term trademark is defined in Section 45 of the act as including "any word, symbol, or device, or any combination thereof . . . to identify or distinguish his or her goods . . . ." Although color is not specifically listed in the definition, it is submitted that the listed terms "symbol" and "device" include color. In 1988, Congress confirmed this interpretation of the definition, in its Senate committee report on the Lanham Act amendments of that year, stating:

> The revised definition intentionally retains
>
> . . .
>
> (iv) the words "*symbol or device*" so as not to preclude the registration of *colors*, shapes, sounds or configurations where they function as trademarks.[3]

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[2] Pet. App. 5a. IPO will use the citation form "Pet. App." and a page number to refer to the appendix to Qualitex's petition for writ of certiorari.

[3] S. Rep. No. 100-515, 100th Cong., 2d Sess. 44 (1988) (emphasis added).



The North American Free Trade Agreement (NAFTA) and its 1993 implementing legislation[4] provide further support for the proposition that color is included within the Lanham Act's definition of trademark. More particularly, Article 1708(1) of the NAFTA agreement provides:

> For purposes of this Agreement, a *trademark consists of any sign*, or any combination of signs, capable of distinguishing the goods and services of one person from those of another, *including* personal names, designs, letters, numerals, *colors*, figurative elements, or the shape of goods or of their packaging. . .[5]

Although "colors" was included in the NAFTA definition of trademark, Congress did not find it necessary in 1993 to amend the Lanham Act definition of trademark in order to implement Article 1708(1). This undoubtedly was because Congress intended in 1993, as in 1988, that "color" be included within the meaning of the terms "symbol" and "device."

Since it is clear that "color" is reasonably included within the definition of a trademark under the Lanham Act, a color should be registrable on the same basis as words, logos, and other forms of marks. Courts should not unilaterally decide to refuse registration based on non-statutory considerations when all statutory criteria for registration have been met and such registration is contemplated by the Lanham Act.[6]

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[4] Pub. L. No. 103-182, 103rd Cong., 1st Sess. (1993).

[5] North American Free Trade Agreement, 32 I.L.M. 605 (signed December 17, 1992) (emphasis added).

[6] Not all rules of trademark law are statutory. It is well-established by court decisions that functional features may not be protected or registered as trademarks, even though the Lanham Act does not explicitly prohibit registration of functional features. However, unlike registration of color, there is nothing that would lead to a conclusion that registration of functional features is contemplated by the act.

It is therefore submitted that (1) the Lanham Act does not prohibit the registration of color alone as a trademark and (2) the Lanham Act clearly contemplates the registration of color alone as a trademark.

## II. THE RULING BY THE COURT OF APPEALS CONFLICTS WITH THE POLICY UNDERLYING THE LANHAM ACT OF PROTECTING AGAINST UNFAIR COMPETITION

The Court of Appeals affirmed the District Court's finding of trade dress infringement under Section 43(a)[7] of the Lanham Act, finding that: (1) the trade dress is nonfunctional, (2) the trade dress has acquired secondary meaning, and (3) there is a likelihood of confusion between the products.[8]

Although trade dress differs from a trademark by relating to the total impression created by the use of the package, and not just to the trademark itself, the factors considered in determining trade dress infringement are similar to those considered in determining trademark infringement.[9] If it is found that the facts support a finding that (1) the color itself is nonfunctional, (2) the color itself has acquired secondary meaning, and (3) there is a likelihood of confusion between products based solely on the use of the same color or confusingly similar colors,[10] then the color itself is performing as a trademark. To

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[7] 15 U.S.C. § 1125(a).

[8] Pet. App. 14a.

[9] *Cf.* Two Pesos Inc. v. Taco Cabana Inc., 120 L.Ed.2d 615, 618 (1992) ("[T]he general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a).").

[10] Nonfunctionality, secondary meaning, and likelihood of confusion, mistake, or deception are requirements for registering and enforcing a color mark. *E.g.*, In re Owens-Corning Fiberglas Corp., 774 F.2d 1116 (Fed. Cir. 1985).



deny full recognition of trademark status under the Lanham Act to color marks meeting the foregoing criteria would be inconsistent with the trademark law policy of preventing unfair competition and the deceptive and misleading use of marks.

Color is a universal language that is capable of identifying and distinguishing between competing products and providing useful information to customers.[11] Where a color has acquired secondary meaning and is nonfunctional, there can be no reason to deny exclusive rights and registration to the party who originated the mark. Such a result would promote confusion and deception in the marketplace by permitting others to adopt and use with impunity the same or confusingly similar colors (as long as the overall impressions of the products do not give rise to trade dress infringement).[12]

New entrants in a market are not deterred by a prior user's registration of color alone as a trademark. Only colors for which no competitive need exists are nonfunctional and therefore possibly registrable, and new entrants can choose from many colors that are not confusingly similar.[13]

---

[11] Qualitex presented evidence that many purchasers of dry cleaning press pads do not speak or read English well. Pet. App. 13a.

[12] The Eighth Circuit Court of Appeals in *Master Distributors* concluded:

> A per se rule prohibiting the protection of color alone would essentially render a valid color trademark registration ineffective and unenforceable. This would be extremely confusing and inconsistent. Although the aquamarine blue color of MDI's Blue Max tape is not registered, we think it would be equally confusing and inconsistent to rule that registered color marks may be protected, while common law color marks may not.

Master Distributors, Inc. v. Pako Corp., 986 F.2d 219, 224 (8th Cir. 1992).

[13] The District Court in *Qualitex*, for example, found that in the industry in question the range of tones of suitable colors was in the hundreds, if not thousands.

The task of determining likelihood of confusion among shades of color is not inherently more difficult than the task of determining likelihood of confusion among words. Registrability of color does not mean registration of large numbers of color marks. The standards for secondary meaning [14] and nonfunctionality [15] are difficult to meet.

## III. THE RULING BY THE COURT OF APPEALS CONFLICTS WITH THE POLICY UNDERLYING THE LANHAM ACT OF ENCOURAGING REGISTRATION OF MARKS IN ORDER TO ENABLE COMPETITORS TO KNOW OF RIGHTS IN MARKS

Registration of color alone advances the Lanham Act's objective of registering as many of the marks in use as practicable so that competitors will be able to avoid conflicts by searching a relatively complete Principal Register,[16] and Supplemental Register,[17] and will be able to learn of rights from the Federal registration symbol "®".[18]

The Lanham Act encourages registration by providing various benefits for trademark owners who register their marks.[19] These benefits should be available to owners of

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[14] Trademark Manual of Examining Procedure, 2d ed. 1993, U.S. Patent and Trademark Office, § 1202.04(e) ("The applicant must submit evidence that the proposed color mark has become distinctive of the applicant's goods in commerce. The burden of proof in such a case is substantial.").

[15] E.g., Inwood Laboratories, Inc. v. Ives Laboratories, 456 U.S. 844,853 (1982) (color of capsules functional); Brunswick Corp. v. British Seagull Ltd., —— F.3d ——, 32 USPQ 2d 1120, 1124 (Fed. Cir. 1994) (color black for outboard marine engines functional).

[16] 15 U.S.C. §§ 1052 and 1072 (Lanham Act, §§ 2 and 22).

[17] 15 U.S.C. §§ 1091, 1093 and 1094 (Lanham Act, §§ 23, 25, and 26).

[18] *See generally* J. E. Hawes, Trademark Registration Practice § 2.03 (1994).

[19] *E.g.*, 15 U.S.C. § 1072 (Lanham Act, § 22) (registration as constructive notice of claim of ownership); 15 U.S.C. § 1065 (Lanham Act, § 15) (incontestability of right to use registered mark under certain conditions).



nonfunctional color marks that have acquired secondary meaning to the same extent that benefits of registration are available to owners of other kinds of marks.

## CONCLUSION

IPO urges the Court to reverse the ruling by the Court of Appeals for the Ninth Circuit that color per se cannot be registered as a trademark under the Lanham Act.

Respectfully submitted,

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No. 93-1577

In The

# Supreme Court of the United States

October Term, 1994

QUALITEX COMPANY,

*Petitioner,*

v.

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

**On Writ Of Certiorari**
**To The United States Court Of Appeals**
**For The Ninth Circuit**

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38 pp

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES ..... iii

INTEREST OF THE *AMICUS CURIAE* ..... 1

SUMMARY OF THE ARGUMENT ..... 3

ARGUMENT – REASONS FOR REVERSAL OF THE NINTH CIRCUIT DECISION ..... 4

I. THE PLAIN MEANING OF THE TERM "TRADEMARK" IN THE LANHAM ACT DOES NOT PROHIBIT THE REGISTRATION OF A COLOR *ALONE* AS A TRADEMARK ..... 4

II. NOTWITHSTANDING THE PLAIN MEANING OF THE LANHAM ACT, THE LEGISLATIVE HISTORY OF THE TRADEMARK LAW REVISION ACT OF 1988 EXPRESSES CONGRESS' INTENT NOT TO PRECLUDE COLOR *ALONE* FROM REGISTRATION ... 6

III. THE LANHAM ACT SHOULD NOT BE INTERPRETED TO PRECLUDE THE REGISTRATION OF A COLOR *ALONE* IN ORDER NOT TO IMPEDE GLOBAL HARMONIZATION EFFORTS AND IN ORDER NOT TO PLACE AMERICAN BUSINESS AT A DISADVANTAGE WITH RESPECT TO THEIR FOREIGN COUNTERPARTS ..... 10

IV. A SINGLE COLOR *ALONE*, SERVING TO IDENTIFY AND DISTINGUISH THE GOODS OF ONE PARTY FROM GOODS MANUFACTURED AND SOLD BY OTHERS, IS NO DIFFERENT THAN A WORD OR DESIGN TRADEMARK, AND THUS SHOULD NOT BE PROHIBITED FROM REGISTRATION UNDER THE LANHAM ACT ..... 16

TABLE OF CONTENTS – Continued

Page

V. THE EXISTENCE OF AT LEAST TEN MILLION DISTINGUISHABLE AND ARBITRARY COLORS INVALIDATES THE COLOR DEPLETION THEORY AND THUS THE COLOR DEPLETION THEORY CANNOT SERVE AS A BASIS FOR PROHIBITING THE REGISTRATION OF COLOR *ALONE* UNDER THE LANHAM ACT..... 19

VI. THE ISSUE OF LIKELIHOOD OF CONFUSION IS NO DIFFERENT THAN THE ISSUE OF SHADE CONFUSION, THUS THE SHADE CONFUSION THEORY CANNOT SERVE AS A BASIS FOR PROHIBITING THE REGISTRATION OF COLOR *ALONE* UNDER THE LANHAM ACT ..... 22

CONCLUSION ..... 26



TABLE OF AUTHORITIES

Page

CASES

*Brunswick v. British Seagull Ltd.*, 32 U.S.P.Q. 2d 1120 (Fed. Cir. 1994)..... 17

*California v. American Stores, Inc.*, 495 U.S. 271 (1990)..... 5

*Chevron, U.S.A. Inc. v. National Resources Defense Council, Inc.*, 467 U.S. 837, *reh'g denied*, 468 U.S. 1227 (1984)..... 6

*Kaiser Aluminum & Chemical Corp. v. Bonjorno*, 494 U.S. 827 (1990)..... 4

*NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990)..... 21, 23

*Olay Co. v. Cococar Products, Inc.*, 218 U.S.P.Q. 1028 (S.D.N.Y. 1983), *aff'd*, 742 F.2d 1439 (2d Cir. 1984)..... 23

*In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985)..... 18, 22, 23

*Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (9th Cir. 1994)..... 1

*Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, *reh'g denied*, 113 S. Ct. 20 (1992)..... 4

*United States v. Energy Resources Co.*, 495 U.S. 545 (1990)..... 5

*Venegas v. Mitchell*, 495 U.S. 82 (1990)..... 4

*W.H. Brady Co. v. Lem Products, Inc.*, 659 F.Supp. 1355, 3 U.S.P.Q.2d 1258 (N.D.Ill. 1987)..... 23

*Wire Rope Corp. of America Inc. v. Secalt S.A.*, 196 U.S.P.Q. 312 (TTAB 1977)..... 23

TABLE OF AUTHORITIES – Continued

Page

STATUTES

15 U.S.C. § 1051, *et seq.* (Lanham Act) ..... 2

15 U.S.C. § 1052 (Lanham Act, Sec. 2) ..... 4

15 U.S.C. § 1052(f) (Lanham Act, Sec. 2(f)) ..... 5

15 U.S.C. § 1126(d) (Lanham Act, Sec. 44(d)) ..... 15

15 U.S.C. § 1127 (Lanham Act, Sec. 45) ..... 5, 8, 9

MISCELLANEOUS

37 J.O. Comm. Eur. (No. L11) (1994) ..... 11, 12, 13, 14

133 Cong. Rec. S16,546 (daily ed. Nov. 19, 1987) ..... 7

133 Cong. Rec. S16,553 (daily ed. Nov. 19, 1987) ..9, 22

134 Cong. Rec. S5,868 (daily ed. May 13, 1988)..... 8

Elzaburu, Madrid, *The Community Trademark and Seat in Alicante* (1994) ..... 10

Ebert, *Trademark Protection in Color: Do it by the Numbers!*, 84 TMR 379 (1994) ..... 25

Gonzalez & Wintz, *Digital Image Processing* (1983) .... 19

Henry, *Right Hat, Wrong Peg; In Re Owens-Corning Fiberglas Corporation and the Demise of the Mere Color Rule*, 76 TMR 389 (1986) ..... 20

Lupo, *The Pink Panther Sings the Clues: Is Color Capable of Trademark Protection?*, 76 TMR 389 (1986) ..... 24

Marks & Clerk, *The Trade Marks Act 1994, A Client Guide* (1994) ..... 14



TABLE OF AUTHORITIES – Continued

Page

Macbeth Division of Kollmorgen Instruments Corporation, *Munsell Color* (July, 1990)..... 25

Potts, Kerr & Co., *New Legislation: U.K. Trade Marks Act*, 1994 Effective Date: Monday, 31 October 1994 (1994) ..... 15

Schmidt, *Creating Protectable Trademarks*, 81 TMR 285 (1991)..... 23

S. Rep. No. 515, 2d Sess. 44 (1988)..... 9

*The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 Trademark Rep. 375 (1987).....8, 9

VISCC-NBS Method of Designating Colors and a Dictionary of Color Names For (National Bureau of Standards Circular 553, Government Printing Office 1959)..... 20

*Websters New World Dictionary* 1142 (2nd College Ed. 1979).....5, 8

**Lackenbach Siegel Marzullo Aronson & Greenspan, P.C. ("Lackenbach Siegel") respectfully submits this brief *amicus curiae* in support of the Petitioner. Lackenbach Siegel has obtained the express written permission of Petitioner, Qualitex Co., and the Respondent, Jacobson Co., to file this brief *amicus curiae*. The judgment of the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") in *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (9th Cir. 1994) which holds that color *alone* does not constitute a registrable trademark under the Lanham Act should be reversed.**

## INTEREST OF THE *AMICUS CURIAE*

**Lackenbach Siegel** presents this brief *amicus curiae* on behalf of members of the prestigious Hand Tools Institute[1] and American hand tool manufacturers, in

[1] The members of the Hand Tools Institute include Channellock, Inc. of Meadville, Pennsylvania; Coopertools of Raleigh, North Carolina; SK Hand Tool Corporation of Chicago, Illinois; Greenlee Textron, Inc. of Rockford, Illinois; Warren Tool Corporation of Garrettsville, Ohio; Ridge Tool Company; Hyde Manufacturing Company of Southbridge, Massachusetts; Bondhus Corporation of Monticello, Minnesota; Vaughan & Bushnell Manufacturing Co. of Hebron, Illinois; Stanley Tools, Division of the Stanley Works of New Britain, Connecticut; Vermont American Corporation of Lincolnton, North Carolina; A. & E. Manufacturing Company of Racine, Wisconsin; Wilton Tool Division of Wilton Corporation of Schiller Park, Illinois; Danaher Tool Group of Lancaster, Pennsylvania; Klein Tools, Inc. of Chicago, Illinois; Red Devil, Inc. of Union, New Jersey; Stride Tool, Inc. of Little Valley, New York; Snap-On Tools Corporation of Kenosha, Wisconsin; Wright Tool Company; and, Zephyr Manufacturing Company.

particular, Channellock, Inc., Central Tools, Inc., Hyde Manufacturing Company, Inc., Magnetic Tool Organizers, Inc., Mueller Electric Company, Inc., Russell Harrington Cutlery, Inc., Vaughan & Bushnell Manufacturing Company, and Waekon Industries, Inc.[2]

These members of the American hand tool industry and other related industries enjoy substantial goodwill and renown for their hand tool products that include color trademarks. Of particular interest to these manufacturers is the protection of their goods in the domestic and international markets. The Ninth Circuit's holding that color *alone* does not constitute a registrable trademark under 15 U.S.C. § 1051, *et seq.*, impedes these manufacturers' ability to enforce common law and federal trademark rights in their unique color marks. Without redress by this Court, these American companies, employing hundreds, if not thousands, of people, would not be able to enforce their color trademarks uniformly throughout the United States against domestic and international competition. Therefore, the Ninth Circuit's decision and the decision of the Seventh Circuit denying the registrability of color *alone* impairs the ability of these manufacturers to uniformly protect their trademark rights.

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[2] This brief should not be interpreted to reflect the views of any particular member.



## SUMMARY OF THE ARGUMENT

The plain meaning of the term "trademark" in the Lanham Act does not preclude the registration of a color *alone* when it functions as a trademark. Notwithstanding the plain meaning of the statute, the legislative history of the Trademark Law Revision Act of 1988 clearly expresses Congress' intent not to preclude the registration of color *alone* when it functions as a trademark. Several policy reasons support the registration of color *alone*. In particular, United States trademark law should not be interpreted to exclude the registration of color *alone* so as to impede global trademark law harmonization efforts, and to place American business at a disadvantage against foreign competitors in the United States and abroad.

A single color trademark is no different than a standard word or design trademark. Just as for word or design trademarks, there exists millions of distinct and arbitrary color trademarks. The color depletion theory is anachronistic due to advances in color processing technology. As such, the color depletion theory cannot serve as a policy basis for prohibiting the registration of a color trademark under the Lanham Act. Additionally, the shade confusion theory cannot serve as a basis for prohibiting the registration of a color under the Lanham Act on the grounds that the test for likelihood of confusion for word or design marks is analogous to the test for shade confusion for color marks.

For the foregoing reasons, color *alone* when it functions as a trademark should not be precluded from registration under the Lanham Act.

## ARGUMENT

### REASONS FOR REVERSAL OF THE NINTH CIRCUIT DECISION

### I. THE PLAIN MEANING OF THE TERM "TRADEMARK" IN THE LANHAM ACT DOES NOT PROHIBIT THE REGISTRATION OF A COLOR *ALONE* AS A TRADEMARK.

The plain meaning of the definition of the term "trademark" in the Lanham Act does not prohibit the registration of a color *alone* as a trademark. The starting point for the interpretation of a statute is the language of the statute itself. Absent a clearly expressed legislative intention to the contrary, the language must ordinarily be regarded as conclusive. *Kaiser Aluminum and Chemical Corp. v. Bonjorno*, 494 U.S. 827, 835 (1990). The Lanham Act states: "No *trademark* by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature *unless* it falls into the categories listed in sub-sections (a) through (e)." 15 U.S.C. § 1052 (Emphasis added.).

Where the language of a statute is literally **exclusive**, there is no basis for creating an exclusion not literally authorized by the statute. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, *reh'g denied*, 113 S. Ct. 20 (1992); *Venegas v. Mitchell*, 495 U.S. 82 (1990). 15 U.S.C. § 1052 specifically refuses the registration of trademarks on the Principal Register that fall into categories (a) through (e). A color *alone* is not a trademark that falls in categories (a) through (e) of 15 U.S.C. § 1052. Thus, since the statute does not literally exclude a color *alone* from registration,



there is no basis for creating an exclusion not literally authorized by the statute.

Where the language of a statute is literally **inclusive**, there is no basis for creating an exclusion not literally authorized by the statute. *California v. American Stores, Inc.*, 495 U.S. 271 (1990); *United States v. Energy Resources Co.*, 495 U.S. 545 (1990) (The literal absence of a limitation in the statutory language is a conclusive argument for not creating such a limitation.). The Lanham Act is worded in relevant part:

> [N]othing herein shall prevent the registration of a **mark** used by the applicant which has become distinctive of the applicant's goods in commerce.

15 U.S.C. § 1052(f) (Emphasis added.).

> The term "trademark" includes any word, name, **symbol, or device, or any combination thereof** – (1) used by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register on the Principal Register established by this Act, **to identify and distinguish** his or her goods, including a unique product, from those manufactured or sold by others and **to indicate the source of the goods**, even if that source is unknown."

15 U.S.C. § 1127 (Emphasis added.). The definition of the term "trademark" includes any **"symbol, or device."** A symbol, in its ordinary meaning, is "something that stands for or represents another thing; esp. an object used to represent something abstract." *Webster's New World Dictionary* 1442 (2nd College Ed. 1979). A color *alone*, when it functions as a trademark, represents another

thing, namely, the source or origin of a product. Thus, a color *alone* is a symbol. The language of the statute is literally inclusive of a color *alone* as a symbol, and, as such, a trademark. There is no basis for creating an exclusion not literally authorized by the statute.

## II. NOTWITHSTANDING THE PLAIN MEANING OF THE LANHAM ACT, THE LEGISLATIVE HISTORY OF THE TRADEMARK LAW REVISION ACT OF 1988 EXPRESSES CONGRESS' INTENT NOT TO PRECLUDE COLOR *ALONE* FROM REGISTRATION.

The legislative history of the Trademark Law Revision Act of 1988 expresses Congress' intent not to prohibit color *alone* from registration under the Lanham Act. "If the intent of Congress is clear, that is the end of the matter; for the court, as well as [an] agency must give effect to the unambiguous intent of Congress." *Chevron, U.S.A. Inc. v. National Resources Defense Council, Inc.*, 467 U.S. 837, 842-843, *reh'g denied*, 468 U.S. 1227 (1984).

The intent of Congress in adopting the Trademark Law Revision Act of 1988 is unequivocal. Senator DeConcini, in introducing Senate Bill 1883, declared in relevant part:

> This legislation is designed to bring the 41-year-old Lanham Act up to date with present day business and commercial practices and realities, to increase the value of the Federal Trademark Registration System for U.S. companies, [and] to continue the protection of the public from counterfeit, confusion and deception . . .



> Two years ago the U.S. Trademark Association formed the Trademark Review Commission to conduct a comprehensive review, analysis, and debate of the policies and components of the trademark system. That process included an exhaustive questionnaire to the trademark community, extensive study of specific topics by committees, and open debate at annual meetings. The Commission produced a lengthy report of its findings and recommended legislative changes in the trademark system. **The bill I am introducing today is *based on the Commission's report and recommendations.***

133 Cong. Rec. S16,546 (daily ed. Nov. 19, 1987) (Emphasis added. Remarks on the Introduction of S1883 by Sen. DeConcini.).

During the first Senate debate, Senator DeConcini confirmed Congress' intent:

> Mr. President, S. 1883, the Trademark Law Revision Act of 1988, represents the culmination of thousands of hours of work over the past 2½ years. The bill is based on the results of a study conducted by the U.S. Trademark Association's Review Commission. The Commission's comprehensive review of the policies and components of the trademark system included an exhaustive questionnaire to the trademark community, extensive study of specific topics by committee, and an open debate at annual meetings. Hundreds of trademark owners and practitioners, more than 50 organizations, government officials in the United States and abroad, and eminent scholars in the fields of constitutional, commercial, trademark and unfair competition law contributed their views. When the study

> was completed, the Commission produced a lengthy report of its findings and recommended legislative changes in the trademark system. **S. 1883, as I introduced it on November 19, 1987, encompassed those *recommendations*.**

134 Cong. Rec. S5,868 (daily ed. May 13, 1988) (Emphasis added. Remarks on S. 1883 by Sen. DeConcini at the First Senate Debate on the Trademark Law Revision Act of 1988.).

The U.S. Trademark Association Trademark Review Commission's Final Report unequivocally **recommended**:

> The terms "**symbol**, or **device**" should not be deleted or narrowed to preclude registration of such things as **a color**, shape, smell, sound or configuration **which functions as a mark**. The Commission does not intend to limit in any way the subject matter which historically has qualified as a trademark or service mark.

The United States Trademark Association Review Commission Report and Recommendations to USTA President and Board of Directors, 77 TMR 375, 421 (1987) (Emphasis added.).

The plain language of the Trademark Review Commission's report incorporated into the legislative history of the Trademark Law Revision Act of 1988 states that "***a* color**" which functions as a trademark is not precluded from registration. The article "a", in its ordinary meaning, means "one." *Webster's New World Dictionary* 1 (2nd College Ed. 1979). The Commission in reviewing and making its recommendations regarding Section 45 of the Lanham Act determined: "[t]hat some of the definitions are



unclear and anachronistic or not in keeping with preferable judicial interpretation." 77 TMR 375, 419 (1987). In order to solve this problem, Congress clarified and broadened the definition of the term "trademark" in the Trademark Law Revision Act of 1988 on at least two occasions:

> The definition of a trademark is also revised to **broaden** it to reflect contemporary marketing practices and to clarify a trademark's function of distinguishing the goods of one person from those of another. **The revised definition *purposely* retains [ ] (iv) the words 'symbol or device' so as not to preclude the registration of colors**, shapes, smells, sounds or configurations **where they function as trademarks**.

133 Cong. Rec. S16,553 (daily ed. Nov. 19, 1987) (Emphasis added. Remarks on the Introduction of S. 1883 by Sen. DeConcini.).

> The definition of "trademark" is **broadened** to reflect contemporary marketing practices and to make clear a trademark's function of distinguishing the goods of one person from those of another. **The revised definition *intentionally* retains [ ] (iv) the words 'symbol or device' so as not to preclude the registration of colors, shapes, sounds** or configurations **where they function as trademarks**.

S. Rep. No. 515, 2d Sess. 44 (1988).

Congress, by adopting the Trademark Review Commission's recommendations, has already decided the issue now before this Court, namely, "whether the Lanham Act precludes the registration of color as a trademark." The revised definition of the term "trademark" in 15 U.S.C. § 1127 ***purposefully*** and ***intentionally*** retains

the words 'symbol or device' so as not to preclude the registration of a color *alone* where it functions as a trademark. Congress' answer is unequivocal: the Lanham Act does not preclude the registration of *a* color *alone* when it functions as a trademark.

## III. THE LANHAM ACT SHOULD NOT BE INTERPRETED TO PRECLUDE THE REGISTRATION OF A COLOR *ALONE* IN ORDER NOT TO IMPEDE GLOBAL HARMONIZATION EFFORTS AND IN ORDER NOT TO PLACE AMERICAN BUSINESS AT A DISADVANTAGE WITH RESPECT TO THEIR FOREIGN COUNTERPARTS.

Presently in Europe there is a huge effort on the part of the member states of the European Union, namely, France, Germany, Great Britain, Spain, Italy, Belgium, The Netherlands, Luxembourg, Portugal, Denmark, Ireland and Greece, to harmonize their laws in order to establish a Community trademark. The Community trademark is a unitary registration covering the entire territory of the European Union. It is expected to come into operation late in 1995 or early in 1996. Elzaburu, Madrid, *The Community Trademark and Seat in Alicante*, 5 (1994). Since Community legislation has not, for the time being, contemplated in detail the subject of color, any finding by this Court that color *alone* is not protected under the Lanham Act could impede global harmonization efforts on this issue.

The adoption of a Community trademark requires the harmonization of the trademark laws of the member states so that registered trademarks can enjoy parity



under the national laws of the varying member states. The plan for a Community trademark is embodied in the form of Regulation No. 40/94 (EC) of the Council of the European Union dated December 20, 1993. This Regulation was adopted by the Council of the European Union on March 15, 1994. However, full harmonization has not yet been achieved. Several member states are still waiting for their respective Parliaments to pass trademark laws needed to effect the harmonization process. *Id.* at 4.

The definition of the term "trademark" under the Lanham Act is currently consistent with the definition of the "Community trademark." A decision by this Court limiting the definition of a trademark under the Lanham Act will make the United States' definition unduly narrow. Article 1, paragraph 1 of the Regulation defines the Community trademark as:

> A trade mark for goods or services which is registered in accordance with the conditions contained in this regulation and in the manner herein provided.

37 J.O. Comm. Eur. (No. L11) 3 (1994). In defining the term "Community trademark" Article 4 of the Regulation declares:

> A Community trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

*Id.* The language of Article 4 includes any sign capable of distinguishing the goods or services of one undertaking from those of another undertaking. Article 1 and Article 4 do not **exclude** color *alone* from the definition of a Community trademark.

Further, Article 7 of the Regulation does not list a color *alone* as non-registrable subject matter:

**Absolute grounds for refusal.**

1. The following shall not be registered;

a) signs which do not conform to the requirements of Article 4;

b) trade marks which are devoid of any distinctive character;

c) trade marks which consist exclusively of signs or indications which may serve in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or services;

d) trade marks which consist exclusively of signs or indication which have become customary in the current language or in the bona fide and established practices of the trade;

e) signs which consist exclusively of:

(i) the shape which results from the nature of the goods themselves; or

(ii) the shape of goods which is necessary to obtain a technical result, or



(iii) the shape which gives substantial value to the goods;

f) trade marks which are contrary to the public policy or to accepted principles of morality;

g) trade marks which are of such a nature as to receive the public, for instance as to the nature, quality or geographical origin of the goods or services;

h) trade marks which have not been authorized by the competent authorities and are to be refused pursuant to Article 6ter of the Paris Convention;

i) trade marks which include badges, emblems or escutcheons other than those covered by Article 6ter of the Paris Convention and which are of particular public interest, unless the consent of the appropriate authorities to their registration has been given.

2. Paragraph 1 shall apply notwithstanding that the grounds for non-registrability obtain in only part of the Community.

3. Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.

*Id.* at 4. The definition of the term "trademark" under the Lanham Act is currently consistent with the definition of a Community trademark. Global harmonization should not be impeded by an unduly narrow construction of the definition of the term "trademark" under the Lanham Act.

As provided by Article 5 Section 1(b) of the Regulation, nationals of other states which are parties to the Paris Convention may be proprietors of Community trademarks. Since the United States is a member of the Paris Convention, U.S. companies will be able to take advantage of the Community trademark. One benefit under the Community trademark system is that an applicant can claim the priority of an earlier national or international trademark. With respect to the issue of "priority," Article 31 of the Regulation states:

> The right of priority shall have the effect that the date of priority shall count as the date of filing of the Community trade mark application for the purpose of establishing which rights take precedence.

*Id.* at 10. If this court holds that the Lanham Act prohibits the registration of color alone where it functions as a trademark, not only will global harmonization efforts be impeded, but U.S. companies will not be able to take advantage of this provision in international competition.

By way of example, in implementing the provision of the European Directive on the harmonization of trademark laws, the United Kingdom broadened its definition of a trademark. The United Kingdom Trademark Law now defines a trademark as any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings. Marks & Clerk, *The Trade Marks Act 1994, A Client Guide*, 2 (1994). **Lackenbach Siegel has been advised that in the United Kingdom: "Trade marks may now include three-dimension marks, sounds, smells,**



**slogans, packaging or colours" – providing such are represented graphically.** Potts, Kerr & Co., *New Legislation: U.K. Trade Marks Act, 1994 Effective Date: Monday, 31 October 1994*, 1 (1994). Since the Regulation on harmonization does not, on its face, prohibit registration of color *alone*, an English company could obtain a color registration in the United Kingdom, file for a Community trademark and get the benefit of its national filing date. A U.S. company would not be entitled to the same benefit of priority for a color trademark application if this Court interprets the Lanham Act to preclude the registrability of color *alone* where it functions as a trade mark. A U.S. company would clearly be at a disadvantage against counterparts in those countries allowing the registration of color alone as regards Community trademarks filed on the basis of an earlier national trademark. A U.S. company could be precluded from the European Common Market based on a prior registration for color *alone* granted to a foreign company even if the American company had prior use.

It is respectfully submitted that this honorable Court take judicial notice of the fact that Section 44(d)[3] of the Lanham Act and the Paris Convention permit foreign

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[3] 15 U.S.C. Section 1126(d) states in relevant part "An application for registration of a mark under section 1, 3, 4, 23, or 44(e) of this Act, filed by a person described in subsection (b) of this section who has previously duly filed an application for registration of the same mark in one of the countries described in subsection (b) of this section shall be accorded the same force and effect as would be accorded to the same application if filed in the United States on the same date on which the application was first filed in such foreign country."

companies that want to protect their trademarks in the United States to get the benefit of earlier filed dates from their respective countries when they file in the United States. The reverse is equally true. This is yet another example which evidences a strong trend towards global harmonization in trademark law. If this court affirms the Ninth Circuit's decision, and upholds the proposition that the Lanham Act prohibits the registration of color *alone* when it functions as a trademark, it will give an inconsistent message to the rest of the world.

An interpretation of the Lanham Act as precluding the registration of a color alone as a trademark will place U.S. Companies at a disadvantage vis a vis their international competitors in international trade, and impede global trademark law harmonization efforts.

## IV. A SINGLE COLOR *ALONE*, SERVING TO IDENTIFY AND DISTINGUISH THE GOODS OF ONE PARTY FROM GOODS MANUFACTURED AND SOLD BY OTHERS, IS NO DIFFERENT THAN A WORD OR DESIGN TRADEMARK, AND THUS SHOULD NOT BE PROHIBITED FROM REGISTRATION UNDER THE LANHAM ACT.

A single color *alone* serves to identify and distinguish the goods of one manufacturer from those manufactured or sold by others, and indicates the source of the goods. Assume one is in the hand tool industry and that all of the manufacturers, A through Z, manufacture a particular type of hand tool from a similar unfinished metal. Assuming there are no distinctive markings on the hand tools and there is no distinctive packaging, consumers



cannot identify and distinguish the goods of one manufacturer from the goods of another manufacturer; all of the tools are the color of the unfinished metal.

Assume that manufacturer A decides to paint his entire hand tool a specific shade of purple to identify and distinguish his goods from the goods of the other manufacturers and to indicate the source of the goods. In this scenario, the specific shade of purple functions as a trademark by identifying and distinguishing manufacturer A's goods from those of the other manufacturers of hand tools and related goods in the marketplace. Of course, manufacturer B is then free to color his entire hand tool green to indicate the source of his goods and distinguish his goods from manufacturer A's goods and other manufacturers' goods. Similarly, the other manufacturers are free to choose a color trademark to identify and distinguish their goods from the goods of manufacturers A and B. Moreover, manufacturers A' through Z' are free to enter this market, and free to choose other colors to identify and distinguish their respective goods. In this scenario, a color *alone* functions as a trademark.

The most recent decision issued by the Federal Circuit on the issue of a color trademark in *Brunswick Corp. v. British Seagull Ltd.*, 32 U.S.P.Q. 2d 1120 (Fed. Cir. 1994) is fully consistent with this rationale. In that case the color "black" did not function as a trademark as applied to boat engines. There the Federal Circuit stated that, "if the use of color on the applicant's goods serves *a non-trademark purpose* that hinders competition, the de jure functionality doctrine precludes trademark protection." *Id.* at 1123. (Emphasis added.). If another arbitrary and distinctive color, e.g. "magenta," was the subject of the

litigation, the Court would certainly have held that the color "magenta" alone functions as a trademark no differently than other "coined" word trademarks, and would be entitled to registration. *In re Owens-Corning Fiberglass Corp.*, 774 F.2d 1116, 1123 (Fed. Cir. 1985) ("We conclude that OCF's use of the color "pink" performs no non-trademark function, and is consistent with the commercial and public purposes of trademarks.").

A color, just as a word, can be "coined" creating an arbitrary and highly distinctive trademark. For example, any manufacturer above can enter a home center store paint department and "coin" a single color *alone* that will serve to identify and distinguish his hand tools from the other manufacturers. An arbitrary and distinctive "custom" color can be created simply by blending a variety of different pigments to get the color desired. This process of "coining" a color is no different than creating an arbitrary and distinctive "coined" word trademark. That is, the trademark TAC can have any combination of letters added to it to make it more arbitrary or distinctive, e.g. TACG, BTAC, BTACD, bTacF, etc. Analogously, pigments are added to a base in a multiplicity of combinations and concentrations to create arbitrary and distinctive single color trademarks. Hence, even the "magenta" color trademark referenced above can undergo a large number of permutations. If one considers the number of colors in the visible spectrum multiplied by the number of permutations each color can undergo, the number of arbitrary and distinctive marks that can be created is truly a very large number.

A single color can be "coined," so as to identify and distinguish the goods of one manufacturer from another.



A color *alone* functioning as a trademark is no different than a word or design mark functioning as a trademark.

## V. THE EXISTENCE OF AT LEAST TEN MILLION DISTINGUISHABLE AND ARBITRARY COLORS INVALIDATES THE COLOR DEPLETION THEORY AND THUS THE COLOR DEPLETION THEORY CANNOT SERVE AS A BASIS FOR PROHIBITING THE REGISTRATION OF COLOR *ALONE* UNDER THE LANHAM ACT.

The color depletion theory cannot serve as a basis for prohibiting the registration of color *alone* under the Lanham Act. There are over ten million colors that are distinguishable by the human eye as discussed below. Within this group of ten million colors, current technology provides several thousand colors to function as trademarks in hundreds of thousands of categories of goods as diverse as shampoos and cat foods.

The colors we perceive in an object are determined by the nature of light reflected from the object. A body which reflects light that is relatively balanced in all visible wavelengths appears white to the observer. On the other hand, a body which favors reflectance in a limited range of the visible spectrum will exhibit variations or shades of color. By way of example, green objects reflect light with wavelengths in the 500 to 570 nm range, while absorbing most of the energy at other wavelengths. Gonzalez & Wintz, *Digital Image Processing* 171 (1983).

Experts estimate that the available number of color variations distinguishable by the human eye exceeds ten million.[4]

These color variations include commercially available colors as well as custom colors. The Pantone, Inc. system of color and the Munsell system of color are universally used in the printing, advertising, and packaging industries. The Pantone system includes over 3000 commercially available process colors and over 7,200 commercially available metallic colors, and the Munsell Color System includes over 1,605 commercially available colors.[5] The Munsell Color System identifies color in terms of three readily quantifiable attributes: hue, value, and chroma. These attributes of a specific color trademark can be expressed mathematically in a three dimensional color space. Macbeth Division of Kollmorgen Instruments Corporation, Munsell Color, 2 (July, 1990).

The color depletion theory is based on the faulty premise that the number of colors that can function as trademarks in the overall color palette is very limited.

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[4] Henry, *Right Hat, Wrong Peg: In re Owens-Corning Fiberglass Corp. and the Demise of the Mere Color Rule*, 76 Trademark Reporter 389, 402 (September – October 1986) ("Hundreds of color pigments are manufactured and thousands of colors can be obtained by mixing hues with each other and by mixing them with white or with black, and white and black (grey).").

[5] It is also reported that even in 1959 at a time when color technology was not as well developed as it is today, there were at least 7,500 distinct color names. VISCC-NBS Method of Designating Colors and a Dictionary of Color Names (National Bureau Standards Circular 553, Government Printing Office 1959).



The color depletion theory states that if a manufacturer were allowed to claim the exclusive right to use a certain color as a trademark, the remaining colors available for use as trademarks would be so few that new entrants would be restrained from entering the marketplace. As stated by the Seventh Circuit: "It is likely, however, that if each of the competitors presently in the tabletop sweetener market were permitted to appropriate a particular color for its product, new entrants would be deterred from entering the market. The essential purpose of trademark law is to prevent confusion, not to bar new entrants into the market." *See, e.g., NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1028 (7th Cir. 1990).

The rationale of the Circuits prohibiting the protection of color *alone* as a trademark is anachronistic. The rationale fails to consider that the technological progress of the last several decades related to color processing technology has resulted in the creation of a myriad of several thousand colors that can function as trademarks. Hence, several thousand colors are available to manufacturers in each industry for the respective industry's particular type of goods. These thousands of commercially available colors can be further "coined" by altering their respective physical, visually perceptible properties. For example, the simple addition of three visually perceptible attributes, namely, a metallic attribute, a glossy attribute, and a matte attribute, to a group of colors further increases the multiplicity of colors available to function as trademarks. By way of example, a manufacturer can register a specific shade of metallic green to identify and distinguish baby bottles in a particular class. Another manufacturer can register a shade of matte turquoise

color to identify and distinguish clothes pins in another class. American companies are using these technologies in designing new trademarks and in contemporary marketing practices that include, by way of example, the addition of pigment to fiberglass. *See, e.g., In re Owens Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985).

Congress in enacting The Trademark Law Revision Act of 1988 clearly did consider these contemporary marketing practices: "The definition of a trademark is also revised to broaden it to reflect contemporary marketing practices and to clarify a trademark's function of distinguishing the goods of one person from those of another." 133 Cong. Rec. S16,553 (daily ed. Nov. 19, 1987) (Remarks on the Introduction of S. 1883 by Sen. DeConcini.). Certainly contemporary marketing practices have utilized advances in technology in the use of color *alone* to distinguish the goods of one person from those of another, notwithstanding the faulty underpinnings of the color depletion theory.

## VI. THE ISSUE OF LIKELIHOOD OF CONFUSION IS NO DIFFERENT THAN THE ISSUE OF SHADE CONFUSION, THUS THE SHADE CONFUSION THEORY CANNOT SERVE AS A BASIS FOR PROHIBITING THE REGISTRATION OF COLOR *ALONE* UNDER THE LANHAM ACT.

The shade confusion theory cannot serve as a basis for prohibiting the registration of color *alone* when it functions as a trademark under the Lanham Act on the grounds that the shade confusion analysis is no different than a standard likelihood of confusion analysis. One of the major concerns expressed by the lower courts with



regard to protection of color *alone* as a trademark is that "trademark infringement suits would soon denigrate into questions of shade confusion" that the judiciary is ill-equipped to resolve. *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027 (7th Cir. 1990); *W.H. Brady Co. v. Lem Products, Inc.*, 659 F.Supp. 1355, 3 U.S.P.Q.2d 1258 (N.D.Ill. 1987).

In reality, the issue of shade confusion is no different than the issue of likelihood of confusion. As stated by the Court of Appeals for the Federal Circuit: "deciding likelihood of confusion among color shades . . . is no more difficult or subtle than deciding likelihood of confusion where word marks are involved." *In re Owens-Corning Fiberglas Corp.* 774 F2d 1116, 1123 (Fed. Cir. 1985). The response to the shade confusion argument is that "likelihood of confusion" decisions must be made as a matter of course in every trademark infringement case. Schmidt, *Creating Protectable Trademarks*, 81 TMR 285, 289 (1991).

By way of example, the Patent and Trademark Office and the district courts have routinely conducted a likelihood of confusion analysis with respect to the registrability and enforceability of color alone when it functions as a trademark. *Wire Rope Corp. of America Inc. v. Secalt S.A.*, 196 U.S.P.Q. 312 (TTAB 1977); *Olay Co. v. Cococar Products, Inc.*, 218 U.S.P.Q. 1028 (S.D.N.Y. 1983), *aff'd*, 742 F.2d 1439 (2d Cir. 1984). The Court in the *Olay Company* case granted plaintiff injunctive relief requiring defendant to employ: "A discernibly different pink, at least 40 percent different in terms of PMS tones." *Olay Co. v. Cococar Products, Inc.*, 218 U.S.P.Q. at 1045. The example demonstrates that the district courts can easily conduct a

likelihood of confusion analysis where color *alone* functions as a trademark, and grant appropriate relief.

In fact, the likelihood of confusion analysis is easier to make when two colors that function as trademarks are at issue than where two designs or word marks are being compared. In making likelihood of confusion determinations involving **word or design** marks, the test involves a two step analysis:

> Comparing word marks or design marks generally involves a two step process of first comparing the marks for similarities in appearance, sound, connotation, and commercial impression. *Union Carbide Corp. v. Ever-Ready Inc.*, 531 F.2d 366 (7th Cir. 1976). Then, the respective goods are compared to determine if they are related. If the marks are similar and the goods are related, confusion as to source of origin is likely.

Lupo, *The Pink Panther Sings the Blues: Is Color Capable of Trademark Protection?*, 1 Fed. Cir. B. J. 47, 75 (1991). In doing a likelihood of confusion analysis for word marks during the trademark registration process or litigation, it is the perception of the consumer, court, expert witness, attorney, examiner, or combination thereof, that is relied on in determining whether two marks are similar. The same holds true in a likelihood of confusion analysis with regard to color trademarks, except that a court or a party would further have the benefit of the results of a quantifiable scientific comparison of the two color trademarks at issue. By way of example, the system of color notation developed by A.H. Munsell, as referenced above, identifies a color in terms of three quantifiable variables: hue, value and chroma. This method of color notation



arranges the three attributes of color into orderly scales. The scales are used as parameters for the accurate specification and description of color under standard conditions. Macbeth Division of Kollmorgen Instruments Corporation, Munsell Color, 2 (July, 1990). Each of these parameters characteristic of the color trademarks at issue are tabulated, and compared. In fact, technology has progressed to the point where computer hardware and software enables experts to specify match and compare colors:

> First, the human eye is physically capable of distinguishing thousands, if not millions, of colors. Second, a straightforward algorithm is available for keeping track of these numerous shades.

Ebert, *Trademark Protection in Color: Do it by the Numbers!*, 84 TMR 379, 403 (1994). Combined with the advances in computer technology and "color matching," shade confusion analysis is facilitated by quantifiable scientific data.

In sum, the test for shade confusion is no different than the test for likelihood of confusion. The shade confusion analysis is a normal part of the trademark procurement and litigation process. A scientific comparison of the colors for similarity, either by color experts or computer "color matching," facilitates the likelihood of confusion analysis. The shade confusion theory cannot serve as a basis for prohibiting the registration of color *alone* under the Lanham Act.

## CONCLUSION

In view of the foregoing, the decision of the Ninth Circuit denying the registration of a color *alone* where it functions as a trademark should be reversed.

Respectfully submitted,

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No. 93-1577

In The

# Supreme Court of the United States

October Term, 1994

QUALITEX COMPANY,

*Petitioner,*

v.

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

On Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

## BRIEF OF AMICUS CURIAE INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF PETITIONER

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# TABLE OF CONTENTS

Page

TABLE OF CONTENTS ..... i

TABLE OF AUTHORITIES ..... ii

CASES ..... ii

STATUTES, RULES & REGULATIONS ..... iii

OTHER AUTHORITIES ..... iii

INTRODUCTION ..... 1

STATEMENT OF INTEREST OF THE AMICUS CURIAE ..... 2

SUMMARY OF THE ARGUMENT ..... 5

ARGUMENT ..... 6

The Lanham Act Does Not Prohibit Registration Of Color *Per Se* As A Trademark ..... 6

I. Congress Has Not Excluded Color *Per Se* From The Trademarks That Are Registrable Pursuant To §2 Of The Lanham Act ..... 7

II. Congress Has Not Excluded Color *Per Se* From The Subject Matter That Can Function As A "Trademark" Within The Meaning Of §§2 And 45 Of The Lanham Act ..... 8

III. The Determination Of Whether A Particular Color Is Registrable Must Be Made On A Case-By-Case Basis ..... 12

CONCLUSION ..... 17

## TABLE OF AUTHORITIES

Page(s)

CASES

*British Seagull Ltd. v. Brunswick Corp.*,
28 U.S.P.Q.2d (BNA) 1197 (TTAB 1993),
*aff'd*, ___ F.3d ___, 32 U.S.P.Q.2d
(BNA) 1120 (CA Fed 1994) .....13, 14

*Brunswick Corp. v. British Seagull Ltd.*,
___ F.3d ___, 32 U.S.P.Q.2d (BNA)
1120 (CA Fed 1994) ..... 4, 12, 14, 15

*Chevron, U.S.A., Inc. v. Natural Resources
Defense Council, Inc.*,
467 U.S. 837 (1984) .....8, 16

*In re E.I. DuPont DeNemours & Co.*,
476 F.2d 1357 (CCPA 1973) ..... 10

*International Jensen Inc. v.
Metrosound U.S.A. Inc.*,
4 F.3d 819 (CA9 1993) ..... 12

*Inwood Labs., Inc. v. Ives Labs., Inc.*,
456 U.S. 844 (1982) ..... 6

*Master Distributors, Inc. v. Pako Corp.*,
986 F.2d 219 (CA8 1993) .....4, 7

*NutraSweet Co. v. Stadt Corp.*,
917 F.2d 1024 (CA7 1990), *cert. denied*,
499 U.S. 983 (1991) .....2, 3, 4, 7

*In re Owens-Corning Fiberglas Corp.*,
221 U.S.P.Q. (BNA) 1195 (TTAB 1984),
*rev'd*, 774 F.2d 1116 (CA Fed 1985)..... 9

*In re Owens-Corning Fiberglas Corp.*,
774 F.2d 1116 (CA Fed 1985) ..... *passim*

*Park 'n Fly, Inc. v. Dollar Park
and Fly, Inc.*,
469 U.S. 189 (1985) ..... 4



## TABLE OF AUTHORITIES – Continued

Page(s)

*Qualitex Co. v. Jacobson Products Co., Inc.*,
13 F.3d 1297 (CA9), *cert. granted*,
___ U.S. ___, 115 S. Ct. 40,
63 U.S.L.W. 3214, 3255 (1994) ..... *passim*

*Rust v. Sullivan*,
500 U.S. 173 (1991) .....11, 12

*Two Pesos, Inc. v. Taco Cabana
International, Inc.*,
___ U.S. ___, 112 S. Ct. 2753 (1992) .....3, 7

STATUTES, RULES & REGULATIONS

15 U.S.C. §1052 (Lanham Act §2) .....5, 7, 8, 9, 15

15 U.S.C. §1062 (Lanham Act §12) ..... 13

15 U.S.C. §1063(a) (Lanham Act §13)..... 13

15 U.S.C. §1127 (Lanham Act §45) .....8, 9, 11, 15

Rule 52(a), Federal Rules of
Civil Procedure..... 6

Supreme Court Rule 37.3 ..... 1

Trademark Law Revision Act of 1988,
Pub. L. No. 100-667, 102 Stat. 3935,
(codified at 15 U.S.C. §1051, *et seq.* (1988))... 3, 9, 10

OTHER AUTHORITIES

134 Cong. Rec. S16974 (daily ed. October 20,
1988) (statement of Sen. DeConcini)..... 3

3 J. McCarthy, *McCarthy on Trademarks and
Unfair Competition*, §20.01[1] (3d ed. 1992)..... 13

Senate Report No. 100-515, 100th Cong.,
2d Sess. 44 (1988), *reprinted in* 1988
U.S.C.C.A.N. 5577 .....10, 11

TABLE OF AUTHORITIES – Continued

Page(s)

Trademark Manual of Examining Procedure §1202.04(e) (2d ed. 1993)..... 10

United States Trademark Association Trademark Review Commission, *Report and Recommendations to U.S.T.A. President and Board of Directors*, reported at 77 Trademark Reporter 375 (1987) ..... 11

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On Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

## BRIEF OF AMICUS CURIAE INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF PETITIONER

## INTRODUCTION

With the written consent of the parties pursuant to Supreme Court Rule 37.3,[1] *amicus curiae* International Trademark Association ("INTA") respectfully submits this brief in support of petitioner Qualitex Company ("Petitioner").

INTA urges the Court to reverse the judgment of the United States Court of Appeals for the Ninth Circuit

[1] The parties' letters of consent have been filed concurrently with this brief.

holding that color *per se*[2] is unregistrable and unprotectible as a matter of law under the United States Trademark Act (the "Lanham Act"), and ordering the cancellation of Petitioner's Trademark Registration No. 1,633,711 for the green-gold color for dry cleaning press pads. *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (CA9), *cert. granted*, ___ U.S. ___, 115 S. Ct. 40, 63 U.S.L.W. 3214, 3255 (1994). For the reasons discussed *infra*, INTA believes that the holding of the Court of Appeals judicially created an absolute prohibition on the registration of color *per se* where none was enacted, or intended, by Congress.

## STATEMENT OF INTEREST OF THE AMICUS CURIAE

INTA, founded in 1878 as The United States Trademark Association ("USTA"), is a not-for-profit corporation of more than 2,700 members having a special interest in trademarks. INTA's members include trademark owners, advertising agencies, and law firms from the United States and foreign countries, including some of the world's foremost corporations. These members form an important segment of the United States' business community, and they and their counsel have substantial expertise in trademark law.

INTA's corporate members spend millions of dollars each year in the development, registration, and protection of their trademarks in the United States. All INTA members

[2] As used in this brief, the term color *per se* refers to a single color or single shade of color, without any additional elements such as designs. *See, e.g., NutraSweet Co. v. Stadt Co.*, 917 F.2d 1024, 1027 n.6 (CA7 1990), *cert. denied*, 499 U.S. 983 (1991).



share an interest in protecting the integrity of the United States' trademark system through encouraging the coherent and consistent interpretation of the Lanham Act and judicial treatment of federally-registered trademarks.

INTA has been instrumental in making recommendations and providing assistance to Congress in connection with the Lanham Act, most recently through the active participation of USTA's Trademark Review Commission in the development and enactment of the Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935, (codified at 15 U.S.C. § 1051, *et seq.* (1988)), the most significant amendment of the Lanham Act since its passage in 1946. See 134 Cong. Rec. S16974 (daily ed. October 20, 1988) (statement of Sen. DeConcini). INTA also has participated in the past as an *amicus curiae* in trademark cases before this Court, *e.g., Two Pesos, Inc. v. Taco Cabana International, Inc.*, ___ U.S. ___, 112 S. Ct. 2753 (1992), and in many lower courts. The Court previously granted INTA's motion for leave to file a brief as an *amicus curiae* in support of the petition for a writ of *certiorari*. *Qualitex*, ___ U.S. ___, 115 S. Ct. 40, 63 U.S.L.W. 3214, 3255 (1994).

The Courts of Appeals conflict sharply on the question on which *certiorari* was granted. The Seventh and Ninth Circuits have held that color *per se* is unregistrable and unprotectible as a matter of law and that no registration of color *per se* as a mark could ever properly be issued by the Patent and Trademark Office ("PTO"), the administrative agency to whom Congress has delegated authority under the Lanham Act to register trademarks. *NutraSweet Co. v. Stadt Co.*, 917 F.2d 1024 (CA7 1990) (affirming summary judgment that blue was not protectible as a trademark for artificial sweetener), *cert. denied*,

499 U.S. 983 (1991); *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (CA9), *cert. granted*, ___ U.S. ___, 115 S. Ct. 40, 63 U.S.L.W. 3214, 3255 (1994).

The Federal and Eighth Circuits, however, have held that color *per se* is registrable when it functions as a trademark, and the statutory requirements for registration otherwise are satisfied. *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (CA Fed 1985) (reversing refusal to register pink as a trademark for fiberglass insulation); *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219 (CA8 1993) (reversing summary judgment that blue was not protectible as a trademark for splicing tape); *see also Brunswick Corp. v. British Seagull Ltd.*, ___ F.3d ___, 32 U.S.P.Q.2d (BNA) 1120 (CA Fed 1994) (following *Owens-Corning*, but affirming PTO's refusal to register black as a trademark for outboard motors because black was *de jure* functional for those goods).

The refusal of the Seventh and Ninth Circuits to permit the registration of color *per se* precludes a consistent nationwide treatment of color trademarks, even though Congress has determined that all federally-registered trademarks "should receive nationally the greatest protection that can be given them." *Park 'n Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 193 (1985). INTA submits this brief to express its view that the Federal and Eighth Circuits properly give effect to the intent of Congress as expressed in the Lanham Act, and to urge the Court to reject the contrary views of the Ninth Circuit Court of Appeals in this case and in the authorities upon which the Court of Appeals relied.



## SUMMARY OF THE ARGUMENT

Any "trademark by which the goods of the applicant may be distinguished from the goods of others" is eligible for federal registration unless it is excluded specifically by § 2 of the Lanham Act, which makes no mention of color.

While acknowledging that registration of color *per se* is not prohibited by the terms of the Lanham Act, the Court of Appeals held that color *per se* is unregistrable as a matter of law, and ordered the cancellation of Petitioner's federal registration, without considering the statutory definition of "trademark" or the legislative history relevant to its interpretation. The Court of Appeals' absolute prohibition on registration is inconsistent with the language and legislative history of the Lanham Act, which reflect the policy determination by Congress that color *per se*, like any subject matter that functions as a trademark, may be registered when the statutory requirements for registration are satisfied.

The federal registration process created by Congress requires the PTO and the courts to determine on a case-by-case basis whether a particular color functions as a trademark and is thus registrable. This determination properly is made by applying traditional principles of trademark law within the framework of the statute.

## ARGUMENT

### The Lanham Act Does Not Prohibit Registration Of Color *Per Se* As A Trademark

The District Court in the case below "ruled that [Respondent] infringed on [Petitioner's] registered trademark, the green-gold color of the press pads." *Qualitex*, 13 F.3d at 1301. In reviewing that judgment, the Court of Appeals began by acknowledging the evidentiary effect of Petitioner's certificate of federal registration, which "shift[ed] the burden of proof to the contesting party . . . [to] introduce sufficient evidence to rebut the presumption of the holder's right to protected use." *Id.* The Court of Appeals then approved the District Court's "findings of facts [which were] reviewed for clear error." *Id.*

The Court of Appeals thereafter undertook a *de novo* review of the legal issue of "[w]hether color *per se* qualifies for trademark protection," *id.*, and ordered the cancellation of Petitioner's registration without disputing the propriety of the findings by the PTO and the District Court that the green-gold color in fact functioned as Petitioner's trademark and was properly registered.[3]

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[3] The issue of whether the PTO and the District Court properly made the determination of registrability is not before the Court on the writ of *certiorari*, and INTA takes no position on its proper resolution. It appears, however, that given the limited scope of the Court of Appeals' review of the District Court's findings pursuant to Rule 52(a) of the Federal Rules of Civil Procedure, *see Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 855 (1982), it will not be necessary for the Court of Appeals to reconsider the issue on remand. In affirming the District Court's judgment that respondent had engaged in unfair competition through the sale of green-gold press pads, the Court of Appeals found, *inter alia*, that "it was not error for the district court to conclude that 'there is no competitive need for the green-gold color, since other colors are equally usable' and that 'the range of tones of available distinctive suitable colors . . . is in the hundreds if not thousands.' " *Qualitex*, 13 F.3d at 1304.



The cancellation of Petitioner's registration resulted from the Court of Appeals' rejection of the reasoning of the Federal and Eighth Circuits in *Owens-Corning* and *Master Distributors*, respectively, and its adoption of the views expressed by the Seventh Circuit in *NutraSweet* and by the dissent in *Owens-Corning*. INTA submits that the Court of Appeals erred because it did not examine the relevant statutory text and legislative history, which make clear the mandate of Congress that the PTO is to register color *per se* when an applicant for registration proves that a particular color functions as its trademark.

### I. Congress Has Not Excluded Color *Per Se* From The Trademarks That Are Registrable Pursuant To § 2 Of The Lanham Act

Pursuant to § 2 of the Lanham Act, a trademark "'by which the goods of the applicant may be distinguished from the goods of others' . . . must be registered unless otherwise disqualified." *Two Pesos, Inc. v. Taco Cabana International, Inc.*, ___ U.S. ___, 112 S. Ct. 2753 (1992) (citation omitted). At the outset of its analysis, the Court of Appeals correctly held that Congress had not designated color *per se* as "otherwise disqualified" from registration:

> Registration of mere color is not explicitly barred by the Lanham Act, which provides that '[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration' . . . unless one of the specific exceptions to registrability set forth in 15 U.S.C. § 1052 applies. Color is not listed as an exception.

*Qualitex*, 13 F.3d at 1301 (citation omitted).

Having held that color *per se* was not specifically excepted from eligibility for registration, the Court of Appeals was required by the structure of § 2 of the Act to determine whether Congress excluded color *per se* from the subject matter that may function as a "trademark by which the goods of the applicant may be distinguished from the goods of others." 15 U.S.C. § 1052. If color *per se* was not excluded, the Court of Appeals was obligated to go no further in its analysis of the issue. "If the intent of Congress is clear, that is the end of the matter; for [a] court . . . must give effect to the unambiguously expressed intent of Congress." *Chevron, U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 842-43 (1984).

## II. Congress Has Not Excluded Color *Per Se* From The Subject Matter That Can Function As A "Trademark" Within The Meaning Of §§ 2 And 45 Of The Lanham Act

The necessary starting point for the proper inquiry is the definition of "trademark" in § 45 of the Act, which "includes *any* word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify



and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." 15 U.S.C. § 1127 (emphasis added). The statutory definition does not exclude any subject matter, and the language "any . . . symbol, or device" is sufficiently inclusive on its face to include all forms of non-verbal subject matter that can "identify and distinguish" goods and "indicate the source of the goods." *Id.*

The current definition of "trademark" was enacted in the Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935, (codified at 15 U.S.C. § 1051, *et seq.* (1988)), three years after the Federal Circuit's decision in *Owens-Corning*. In *Owens-Corning*, the PTO's Trademark Trial and Appeal Board had "conclu[ded] that there is no inherent bar to trademark registration of the color of goods," *Owens-Corning*, 774 F.2d at 1118, but had affirmed the examining attorney's refusal of registration on the ground that the applicant had failed to show that the color pink had acquired distinctiveness pursuant to § 2(f) of the Act as a trademark for the applicant's goods. *See In re Owens-Corning Fiberglas Corp.*, 221 U.S.P.Q. (BNA) 1195 (TTAB 1984), *rev'd*, 774 F.2d 1116 (CA Fed 1985).

The Federal Circuit reversed and ordered the PTO to register the color pink because the applicant had made a sufficient showing of acquired distinctiveness. The court reviewed the history of the Lanham Act and found that one of the Act's original purposes was to liberalize the registration process by "dispensing with 'mere technical prohibitions and arbitrary provisions' and modernizing

the trademark statutes 'so that they will conform to legitimate present-day business practice.' " *Owens-Corning*, 774 F.2d at 1119 (quoting *In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1360 (CCPA 1973)). "Under the Lanham Act trademark registration became available to many types of previously excluded indicia," *Owens-Corning*, 774 F.2d at 1119, including containers, product configurations, sounds, scents, slogans, and other non-traditional subject matter. By the time of the Federal Circuit's decision, it had "become established that the color of goods, as other indicia, may serve as a trademark if the statutory requirements are met." *Id.* at 1122.

On the basis of the *Owens-Corning* decision, the PTO determined that "color can function as a trademark if it is used on the goods in the manner of a trademark and if it is perceived by the purchasing public as identifying and distinguishing the goods on which it is used and indicating their source." *Trademark Manual of Examining Procedure*, § 1202.04(e), at 1202-13 (2d ed. 1993). The PTO directed its examining attorneys to register a color when the applicant proved that the color "ha[d] become distinctive of the applicant's goods in commerce." *Id.*

Against this background, in the Trademark Law Revision Act of 1988, Congress chose not to disturb the PTO's practice of registering color marks, pursuant to *Owens-Corning*, when it broadened the original definition of "trademark" in the Lanham Act "to reflect contemporary marketing practices and to make clear a trademark's function of distinguishing the goods of one person from those of another." S. Rep. No. 100-515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5607. "The revised definition intentionally retain[ed] . . . the



words 'symbol or device' *so as not to preclude the registration of colors*, shapes, sounds or configurations where they function as trademarks." *Id.* (emphasis added).[4]

Congress plainly did not exclude color *per se* from the definition of "trademark" when it revised the Lanham Act in 1988. To the contrary, the foregoing legislative history demonstrates that Congress meant the language "any . . . symbol, or device" to encompass any non-traditional subject matter – including color – which the PTO determines "identif[ies] and distinguish[es] [a person's] goods" and "indicate[s] the source of the goods." 15 U.S.C. § 1127. The PTO's interpretation of the Lanham Act as permitting the registration of color unquestionably reflects what the Court has characterized as "a plausible construction of the plain language of the statute [which] does not otherwise conflict with Congress' expressed intent." *Rust v. Sullivan*, 500 U.S. 173, 184 (1991).

The Court of Appeals did not address the statutory language or the legislative history relevant to its interpretation; instead, it simply "conclude[d] that the better rule is that a trademark should not be registered for color alone," *Qualitex*, 13 F.3d at 1302, and ordered the cancellation of Petitioner's registration. In doing so, the Court of

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[4] The quoted language in the Senate Report was taken almost *verbatim* from the United States Trademark Association Trademark Review Commission, *Report and Recommendations to U.S.T.A. President and Board of Directors*, reported at 77 Trademark Reporter 375 (1987), in which the Commission "determined that the terms 'symbol, or device' should not be deleted or narrowed to preclude registration of such things as a color, shape, smell, sound, or configuration which functions as a mark." 77 Trademark Reporter at 421.

Appeals ignored its obligation to give "substantial deference . . . to the interpretation of the authorizing statute by the agency authorized with administering it," *Rust*, 500 U.S. at 184, and engrafted onto the Act an absolute prohibition on the registration of color that is supported by neither the text of the statute nor its history.

## III. The Determination Of Whether A Particular Color Is Registrable Must Be Made On A Case-by-Case Basis

Lacking support in the text or history of the statute for what it termed the "better rule" that color *per se* is never registrable, the Court of Appeals relied upon the so-called "color depletion" theory, under which "no person should have a monopoly on a primary color." *Qualitex*, 13 F.3d at 1302.[5] The Court of Appeals apparently viewed that theory as compelling – or at least justifying – its determination of the registrability of color *per se* as a matter of law. This view is wholly at odds with the Congressional mandate that the registrability of any otherwise eligible mark – including a single color – must be determined as a factual matter in the statutory registration process.

The Federal Circuit's recent decision in *Brunswick*, ___ F.3d ___, 32 U.S.P.Q.2d (BNA) 1120, illustrates that the

[5] Interestingly, only a few months before the decision under review, a different panel of the Court of Appeals noted that "[i]t is open to question whether the color depletion theory . . . is still persuasive." *International Jensen Inc. v. Metrosound U.S.A. Inc.*, 4 F.3d 819, 823 (CA9 1993) (affirming denial of preliminary injunction against use of the color blue on car stereo loudspeakers).



Court of Appeals should have used the color depletion theory simply as one factor in its review of the factual determinations by the PTO and the District Court that the green-gold color functioned as Petitioner's trademark. In *Brunswick*, the applicant applied to register the color black for outboard motors. Two competitors of the applicant challenged the application by filing an opposition proceeding before the Trademark Trial and Appeal Board.[6] The opposers demonstrated that the applicant had not made exclusive use of the color black for outboard motors, and that there was a competitive need to use black in the industry because black insured the color compatibility of outboard motors with boats of different colors and made the motors appear smaller in size. *See British Seagull Ltd. v. Brunswick Corp.*, 28 U.S.P.Q.2d (BNA) 1197, 1199 (TTAB 1993), *aff'd*, ___ F.3d ___, 32 U.S.P.Q.2d (BNA) 1120 (CA Fed 1994).

The Trademark Trial and Appeal Board sustained the opposition and refused registration on the ground that

[6] When the application at issue in *Brunswick* was approved by the PTO examiner for registration, it was published for opposition, pursuant to § 12 of the Lanham Act, 15 U.S.C. § 1062, to allow "[a]ny person who believe[d] that he would be damaged by the registration of [the] mark on the principal register" to file a notice of opposition to registration of the mark. 15 U.S.C. § 1063(a). The opposition process is the mechanism by which "Congress [has] wisely provided that anyone who believed that he would be damaged by an application already approved by the Trademark Office [can] commence an adversary, *inter partes* proceeding against the applicant, with an administrative tribunal as the court of first resort." 3 J. McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 20.01[1] at 20-7 (3d ed. 1992).

black did not function as the applicant's trademark, but was instead *de jure* functional. *Id.* The Board found that the color depletion theory "could be a factor to consider under appropriate circumstances. . . . [W]hen we consider whether a color is functional we must consider whether alternative colors are available in order to avoid the fettering of competition. If competition will be hindered, the color in question is de jure functional." *Id.* at 1199 (citations omitted).

In affirming the PTO's judgment as not clearly erroneous, the Federal Circuit agreed, holding that the "[color depletion] theory is not faulted for appropriate application, but following [the] passage of the Lanham Act courts have declined to perpetuate its *per se* prohibition which is in conflict with the liberating purposes of the Act." *Brunswick*, ___ F.3d at ___, 32 U.S.P.Q.2d at 1123 (quoting *Owens-Corning*, 774 F.2d at 1120) (original emphasis deleted). "The functionality limitation on trademark protection properly subsumes any lingering policy concerns embodied in the 'color depletion theory.' The theory is not a *per se* bar to registration of color marks." *Id.*

The *Brunswick* court held that no special rules apply to the registrability of color *per se*. "Rather, traditional trademark policies, including the functionality limitation, set the boundaries for color mark registration. Thus, if the use of color on the applicant's goods serves a non-trademark purpose that hinders competition, the de jure functionality doctrine precludes trademark protection. Only in that sense does the 'color depletion theory' have any viability." *Id.*



INTA submits that the Federal Circuit's analysis in *Brunswick*, and its application of "traditional trademark policies," are correct and illustrate the proper role of a reviewing court in the statutory scheme of registration. Congress has delegated to the PTO the duty of determining whether all marks that have not been specifically excluded from eligibility for registration otherwise meet the statutory requirements for registration. Because Congress has established no special rules regarding color marks, much less prohibited their registration, the determination of the registrability of a particular color necessarily must be made through the examination of the application in the PTO and on the basis of the factual record in any challenge to registration of the color, whether before the Trademark Trial and Appeal Board or in civil litigation involving the mark. An appellate court must defer to the factual findings of the PTO and the trial courts unless they are clearly erroneous or are based upon an incorrect application of the statute. The *Brunswick* court did just that, thus implementing the intent of Congress.

The task for the Court of Appeals below was to determine whether the PTO and the District Court improperly applied the Lanham Act in the determination of registrability, or clearly erred in finding that the green-gold color functioned as Petitioner's "trademark" within the meaning of §§ 2 and 45 of the Lanham Act. The Court of Appeals disregarded this limited role and chose instead to impose its own view of desirable federal trademark policy. Clearly this was improper, as Congress already had expressed in the Lanham Act its decision that color *per se* can be registered federally when the PTO

determines that the statutory requirements for registration are met. The Court of Appeals was bound to respect and give full effect to the policy determination reflected in the statute:

> [F]ederal judges – who have no constituency – have a duty to respect legitimate policy choices made by those who do. The responsibilities for assessing the wisdom of such policy choices and resolving the struggle between competing views of the public interest are not judicial ones: "Our Constitution vests such responsibilities in the political branches."

*Chevron*, 467 U.S. at 866 (citation omitted).

Unless and until Congress decides otherwise, and amends the Lanham Act accordingly, color *per se*, like any other type of trademark, is registrable when the statutory requirements are satisfied.



## CONCLUSION

For all of the foregoing reasons, the Court should reverse the judgment of the Court of Appeals ordering cancellation of Petitioner's federal registration.

Respectfully submitted,

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No. 93-1577

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IN THE

# Supreme Court of the United States

OCTOBER TERM, 1994

QUALITEX COMPANY,

*Petitioner,*

—v.—

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

## BRIEF OF PRIVATE LABEL MANUFACTURERS ASSOCIATION AS AMICUS CURIAE IN SUPPORT OF AFFIRMANCE OF THE DECISION BELOW

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## QUESTION PRESENTED

Whether the Lanham Act, 15 U.S.C. 1051 *et seq.*, prohibits the registration of color as a trademark.

## TABLE OF CONTENTS


| | PAGE |
|---|---|
| INTEREST OF AMICUS CURIAE | 1 |
| SUMMARY OF ARGUMENT | 3 |
| ARGUMENT | 5 |
| POINT I—COLOR *PER SE* IS NOT AN APPROPRIATE IDENTIFIER OF SOURCE OF ORIGIN AND SHOULD NOT BE REGISTRABLE AS A TRADEMARK | 5 |
| A. Manufacturers Have Long Relied On The Traditional Rule That An Overall Color *Per Se* Is Not Registrable As A Trademark | 5 |
| B. Color *Per Se* Is Essentially Functional And Hence Not Eligible For Registration | 9 |
| C. Registration Of A Particular Color Should Not Be Permitted On The Grounds Of Color Depletion | 11 |
| D. Existing Law Adequately Protects The Use Of Color As A Trademark | 12 |
| POINT II—REGISTRABILITY OF COLOR *PER SE* NOT AS PART OF A DESIGN OR TRADE DRESS THREATENS TO ADVERSELY IMPACT COMPETITION AND FORECLOSE NEW ENTRANTS | 13 |
| CONCLUSION | 17 |




## TABLE OF AUTHORITIES


**Cases:**

| | PAGE |
|---|---|
| *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041, 107 S.Ct. 1983 (1987) | 6, 7, 13 |
| *Application of Deister Concentrator Company*, 289 F.2d 496 (C.C.P.A. 1961) | 8 |
| *Barbasol Co. v. Jacobs*, 160 F.2d 336 (7th Cir. 1947) | 13 |
| *Blinded Veterans Ass'n v. Blinded Am. Veterans Foundation*, 872 F.2d 1035 (D.C. Cir. 1989) | 8n |
| *Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795 (3d Cir.), *cert. denied*, 338 U.S. 847, 70 S.Ct. 88 (1949) | 5, 6, 11, 13 |
| *Coca Cola Co. v. Koke Co.*, 254 U.S. 143, 41 S.Ct. 113 (1920) | 6 |
| *Conopco, Inc. v. May Dep't Stores Co.*, 32 U.S.P.Q.2d (BNA) 1225, 1994 U.S.App. Lexis 26390 (Fed. Cir. Sept. 21, 1994) | 15, 16 |
| *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F.Supp. 366 (S.D.N.Y.), *aff'd*, 604 F.2d 200 (2d Cir. 1979) | 5 |
| *Deere & Co. v. Farmhand, Inc.*, 560 F.Supp. 85 (S.D. Iowa 1982), *aff'd per curiam*, 721 F.2d 253 (8th Cir. 1983) | 5, 6, 9, 10, 12 |
| *Diamond Match Co. v. Saginaw Match Co.*, 142 F. 727 (6th Cir.), *cert. denied*, 203 U.S. 589, 27 S.Ct. 776 (1906) | 11 |
| *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378 (9th Cir. 1987) | 5, 9 |

PAGE

*In Re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985) ..... 9, 12, 14

*Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844, 102 S.Ct. 2182 (1982) ..... 9

*James Burrough Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266 (7th Cir. 1976) ..... 14

*Keene Corp. v. Paraflex Industries, Inc.*, 653 F.2d 822 (3d Cir. 1981) ..... 10

*Life Savers Corp. v. Curtiss Candy Co.*, 182 F.2d 4 (7th Cir. 1950) ..... 5

*Mershon Co. v. Pachmayr*, 220 F.2d 879 (9th Cir.), *cert. denied*, 350 U.S. 885, 76 S.Ct. 139 (1955).. 5

*New West Corp. v. NYM Co. of California, Inc.*, 595 F.2d 1194 (9th Cir. 1979) ..... 13

*Nor-Am Chemical v. O.M. Scott & Sons Co.*, 4 U.S.P.Q.2d 1316 (E.D. Pa. 1987) ..... 11

*North Shore Laboratories Corp. v. Cohen*, 721 F.2d 514 (5th Cir. 1983) ..... 5, 9, 13

*Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569 (2d Cir. 1959), *cert. denied*, 362 U.S. 919, 80 S.Ct. 671 (1960)..... 5, 6

*NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983, 111 S.Ct. 1640 (1991) ..... 5, 6, 11, 12

*Pacific Coast Condensed Milk Co. v. Frye & Co.*, 147 P. 865, 85 Wash. 133 (1915) ..... 11

*Pagliero v. Wallace China Co.*, 198 F.2d 339 (9th Cir. 1952) ..... 10



PAGE

*Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 105 S.Ct. 658 (1985) ..... 8n

*Plastilite Corp. v. Kassnar Imports*, 508 F.2d 824 (C.C.P.A. 1975) ..... 7

*Quabaug Rubber Co. v. Fabiano Shoe Co., Inc.*, 567 F.2d 154 (1st Cir. 1977)..... 5, 12

*Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297 (9th Cir. 1994) ..... 13

*R.L. Winston Rod Co. v. Sage Mfg. Co.*, 838 F.Supp. 1396 (D. Mont. 1993) ..... 11, 12n

*Specialty Surgical Instrumentation v. Phillips*, 844 F.Supp. 1211 (M.D. Tenn. 1994)..... 11

*Sylvania Electric Products v. Dura Electric Lamp Co.*, 247 F.2d 730 (3d Cir. 1957)..... 9

*Tas-T-Nut Co. v. Variety Nut & Date Co.*, 245 F.2d 3 (6th Cir. 1957) ..... 5

*Two Pesos, Inc. v. Taco Cabana, Inc.*, ___ U.S. ___, 112 S.Ct. 2753 (1992) ..... 8n, 13

*Volkswagenwerk Aktiengesellschaft v. Rickard*, 492 F.2d 474 (5th Cir. 1974) ..... 5, 6

*Vuitton et Fils S.A. v. J. Young Enterprises, Inc.*, 644 F.2d 769, 775 (9th Cir. 1981) ..... 9

*Wallace Intern. Silversmith v. Godinger Silver Art*, 916 F.2d 76 (2d Cir. 1990), *cert. denied*, 499 U.S. 976, 111 S.Ct. 1622 (1991) ..... 10, 13-14

*Warner Lambert Co. v. McCrory's Corp.*, 718 F.Supp. 389 (D.N.J. 1989)..... 5, 10

PAGE

**Rules and Regulations:**

Lanham Act, § 43(a), 15 U.S.C. 1125 (a) .....3, 10, 14

Lanham Act, 15 U.S.C. 1051 *et seq.* ..... 12

Rule 37 of the Supreme Court Rules..... 1

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*Industrial Design Protection: Hearings Before the House Subcommittee on Courts, Intellectual Property, and the Administration of Justice of the Committee on the Judiciary*, 101st Cong., 2d Sess., 528 (1990) ..... 2n

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*Restatement (Third) of Unfair Competition* § 13 cmt. d (Tentative Draft No.2 March 30, 1990) ..... 6

PLMA's 1994 Private Label Industry Handbook (1994) ..... 2n

IN THE

# Supreme Court of the United States

OCTOBER TERM, 1994

**No. 93-1577**

QUALITEX COMPANY,

*Petitioner,*

—against—

JACOBSON PRODUCTS CO., INC.,

*Respondent.*

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

## BRIEF OF PRIVATE LABEL MANUFACTURERS ASSOCIATION AS AMICUS CURIAE IN SUPPORT OF AFFIRMANCE OF THE DECISION BELOW

Pursuant to Rule 37 of the Supreme Court Rules, Private Label Manufacturers Association ("PLMA"), with the consent of the parties, submits this brief as *amicus curiae* in support of affirmance of the decision below.[1]

## INTEREST OF AMICUS CURIAE

PLMA is a non-profit trade organization which represents more than 1,200 companies involved in the manufacture and

[1] The written consents of all parties to the filing of this *amicus* brief have been filed with the Clerk of the Court in compliance with Rule 37.3 of the Supreme Court Rules.

distribution of private label brands, which are also known as store brands—products that are sold under the retailer's or wholesaler's brand name in supermarkets, drug chains and mass merchandisers throughout the United States. These products include food, beverages, snacks, health and beauty aids, over-the-counter drugs, household cleaners and chemicals, outdoor and leisure products, auto aftercare and general merchandise.

"Private label" or "store brand" products account for nearly 20% of supermarket sales volume and 25% of sales at major drug chains. For the consumer, private label provides the opportunity to regularly purchase quality food and non-food products at substantial savings and serves as a competitive alternative to national brands. By purchasing private label brands, consumers save 26% on a typical trip to the supermarket and 38% on a typical visit to a major drug chain.[2]

For the 52-week period ending January 2, 1994, total sales of private label products in United States supermarkets were $30 billion, in chain drug stores $2 billion, and in mass merchandisers $2.1 billion.[3]

PLMA has a direct and substantial interest in the preservation of open, competitive markets in which manufacturers may sell high-quality goods to consumers at reasonable prices. PLMA's *amicus* submission is intended to bring such considerations to the attention of this Court and to demonstrate the importance of retaining the general prohibition against registration of color *per se* as a trademark and the substantial adverse consequences flowing from its elimination.

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[2] *Industrial Design Protection: Hearings Before the House Subcommittee on Courts, Intellectual Property, and the Administration of Justice of the Committee on the Judiciary*, 101st Cong., 2d Sess., 528 (1990) (statement of Brian Sharoff, President, Private Label Manufacturers Association).

[3] PLMA's 1994 Private Label Industry Handbook (1994) (statistical data compiled by Information Resources, Inc.)



Since the vast majority of private label purchases are on-the-spot decisions, consumers often rely on color to identify the category or function of the product. This is to be distinguished from labels, appearance, shape and size of the product, as well as the design of the packaging—the so-called "trade dress" of the item which serves to identify the source of origin of the product. Manufacturers and others in the distribution chain assume the burden of such consumer education, while at the same time being vigilant to avoid confusion as to source of manufacture or designation of origin. Permitting registration of color *per se* is anti-competitive and undermines the ability of a competitor to inform the consumer of the category or function of the product. In addition, permitting the registration of a particular color introduces unnecessary and economically burdensome litigation uncertainty into product design and manufacturing decisions since there is no way to predict with certainty whether a particular shade of color is sufficiently different from the registered color to avoid a claim of trademark infringement.

## SUMMARY OF ARGUMENT

Color *per se* is not registrable as a trademark. The traditional rule, not modified by the provisions of the Lanham Act, is that color *per se* is not entitled to registration as a trademark because it can not appropriately serve to identify source of origin. This definite *per se* rule has existed for more than seventy (70) years and there is no demonstrated need for any judicial change.

Color is in the public domain, free to be used by anyone and thus cannot be a trademark. Its generic quality makes it not registrable.

Since color serves the practical purpose of identifying the category or function of a product as opposed to the source of the product, it is not eligible for trademark protection. Standing alone, color is not an appropriate identifier of source of

origin. It is only when color is combined as an element of a distinctive symbol, design or label, or incorporated in a distinctive trade dress, that it appropriately functions as a trademark. Existing law adequately protects color when it is employed in that fashion.

Registrability of color *per se* is also objectionable because of the color depletion which flows from such registration. If color *per se* is determined to be registrable, infringement actions will degenerate into questions of shade confusion. Product design and manufacturing decisions would be suject to litigation uncertainty, making it impossible to predict whether any particular shade of color could withstand challenge as a trademark infringement.

Given the finite number of colors, trademark protection of particular colors would have a serious adverse effect upon competition. The purpose of a trademark is to prevent confusion not to bar new entrants into the market. If color *per se* were registrable as a trademark, competition would be effected and entry into the market made difficult if not impossible where there is monopoly of a color by the first user.

There is no valid reason to permit such adverse competitive effect.



## ARGUMENT

## POINT I

### COLOR *PER SE* IS NOT AN APPROPRIATE IDENTIFIER OF SOURCE OF ORIGIN AND SHOULD NOT BE REGISTRABLE AS A TRADEMARK

#### A. Manufacturers Have Long Relied On The Traditional Rule That An Overall Color *Per Se* Is Not Registrable As A Trademark

In manufacturing and designing a product, manufacturers have long relied on the traditional rule that color *per se*—unconfined by any defined design—cannot be the subject of a trademark. *E.g.*, *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027-28 (7th Cir. 1990), *cert. denied*, 499 U.S. 983, 111 S.Ct. 1640 (1991); *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1382-83 (9th Cir. 1987); *North Shore Laboratories Corp. v. Cohen*, 721 F.2d 514, 523 (5th Cir. 1983); *Deere & Co. v. Farmhand, Inc.*, 560 F.Supp. 85 (S.D. Iowa 1982), *aff'd per curiam*, 721 F.2d 253 (8th Cir. 1983); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F.Supp. 366, 374 (S.D.N.Y.), *aff'd*, 604 F.2d 200 (2d Cir. 1979); *Quabaug Rubber Co. v. Fabiano Shoe Co., Inc.*, 567 F.2d 154, 161 (1st Cir. 1977); *Volkswagenwerk Aktiengesellschaft v. Rickard*, 492 F.2d 474, 479-480 (5th Cir. 1974); *Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569, 572 (2d Cir. 1959), *cert. denied*, 362 U.S. 919, 80 S.Ct. 671 (1960); *Tas-T-Nut Co. v. Variety Nut & Date Co.*, 245 F.2d 3, 6 (6th Cir. 1957); *Mershon Co. v. Pachmayr*, 220 F.2d 879, 883 (9th Cir.), *cert. denied*, 350 U.S. 885, 76 S.Ct. 139 (1955); *Life Savers Corp. v. Curtiss Candy Co.*, 182 F.2d 4, 9 (7th Cir. 1950); *Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795, 798 (3d Cir.), *cert. denied*, 338 U.S. 847, 70 S.Ct. 88 (1949); *Warner Lambert Co. v. McCrory's Corp.*, 718 F.Supp. 389, 396 (D.N.J. 1989); J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §§ 7-16 -

7-17 (3d ed. 1993); *Restatement (Third) of Unfair Competition* § 13 cmt. d (Tentative Draft No.2 March 30, 1990) ("courts generally have refused to recognize exclusive rights in a color *per se*").

As far back as 1920, this Court in *Coca Cola Co. v. Koke Co.*, 254 U.S. 143, 41 S.Ct. 113 (1920) (Holmes, J.) denied trademark protection to the color of a cola beverage. As a result, in today's supermarkets and other outlets, consumers are able to identify various cola beverages by their brown color and make their selection of a particular cola product from among various competitive products. No inherent confusion results from the similarity in color given the presence of individual brand names, labels and distinctive trade dress of the various competing cola products.

As a result of the traditional rule, manufacturers can offer and consumers can purchase medicinal liquids colored pink, *Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569 (2d Cir. 1959), *cert. denied*, 362 U.S. 919, 80 S.Ct. 671 (1960); food products in red and white cans, *Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795 (3d Cir.), *cert. denied*, 338 U.S. 847, 70 S.Ct. 88 (1949); farm machinery painted green, *Deere & Co. v. Farmhand, Inc.*, 560 F.Supp. 85 (S.D. Iowa 1982), *aff'd per curiam*, 721 F.2d 253 (8th Cir. 1983); sugar substitutes in blue packets, *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983, 111 S.Ct. 1640 (1991); ice cream and frozen desserts in royal blue and silver foil packaging, *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041, 107 S.Ct. 1983 (1987); and advertisements for automobile service painted blue, *Volkswagenwerk Aktiengesellschaft v. Rickard*, 492 F.2d 474 (5th Cir. 1974).

In *AmBrit, Inc. v. Kraft, Inc.*, *supra*, the court found the defendant had infringed plaintiff's distinctive trade dress and enjoined such violation. Nonetheless, the court recognized that color *per se* was not protected and refused to enjoin



defendant's use of royal blue on a silver foil wrapper. The Eleventh Circuit stated:

> The general rule is that "no seller can foreclose others absolutely from using any particular color". Relying on *Re Owens-Corning Fiberglas Corp.*, Isaly argues that the Lanham Act does protect color alone. Even if we were to accept the logic of that decision, we would still preclude Isaly from attempting to monopolize the color royal blue because there is no evidence that the color royal blue can or does serve an origin indicating function in connection with the sale of ice cream products. Royal blue is a "cool color"; it is suggestive of coldness and used by a multitude of ice cream and frozen dessert producers. A court of equity may preclude an infringer from conduct that would otherwise have been unassailable, but because of the widespread use of the color royal blue and its inability to serve as an origin indicator, any order precluding Kraft from using the color royal blue must be tailored to achieve the goal of protecting the consuming public from confusion.

*AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d at 1548 (citations omitted).

As a result of more than seventy (70) years of jurisprudence, the general rule can be simply articulated as follows:

> Color or colors used as mere surface decoration cannot be monopolized by a claim to trademark rights therein.

*Plastilite Corp. v. Kassnar Imports*, 508 F.2d 824, 826 (C.C.P.A. 1975). As set forth in *McCarthy on Trademarks and Unfair Competition*:

> The traditional rule is that a color, *per se*, is not capable of appropriation as a trademark. That is, one seller cannot make a product or its packaging in a certain color and claim that "This is my Color. No one else in this market can use this color in any way."

§ 7.16[1] at 7-66 (footnote omitted).

Manufacturers and consumers have become accustomed to conducting their business affairs within this legal framework and no one can argue that such a rule has led to confusion in the marketplace. To the contrary, both manufacturers and consumers have benefitted: (a) manufacturers may freely identify the category or function of their product by color, and (b) buyers are readily able to identify the type of product they wish to purchase; e.g., fire extinguishers by the color red; canned vegetables by the color green; lemonade by the color yellow; ice cream and other frozen dessert products by the colors blue and silver; bathroom and other personal hygiene products by pastel shades of blues, greens and mauves; and antifreeze by the color yellow.

In short, color *per se* operates not as a trademark to identify source of origin enabling a buyer to distinguish between competing products but rather as a generic identifier of the category or function of the product.

Color is in the public domain and thus is available for use by anyone. Given this principle, appropriation of a particular color by a "first user" should not exclude use of that color by others. "[T]hat which all are free to use cannot be a trademark." *Application of Deister Concentrator Company*, 289 F.2d 496, 502 n.5 (C.C.P.A. 1961). The application of color alone to a product thus lacks the distinctive, creative nature required for trademark protection and which can thus distinguish one person's goods from those manufactured by another.[4]

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[4] That which is generic is not registrable as a trademark. *Two Pesos, Inc. v. Taco Cabana, Inc.*, ___ U.S. ___, 112 S.Ct. 2753, 2757 (1992); *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 194, 105 S.Ct. 658, 661 (1985); *Blinded Veterans Ass'n v. Blinded Am. Veterans Foundation*, 872 F.2d 1035, 1039 (D.C. Cir. 1989) (R.B. Ginsberg, C.J.) ("Because a generic term denotes the thing itself, it cannot be appropriated by one party from the public domain; it therefore is not afforded trademark protection even if it becomes associated with only one source.")



Treating color as generic and hence not entitled to registration does not adversely effect the ability of manufacturers to distinguish their products from those of their competitors. Both manufacturers and buyers rely upon words, symbols, designs and other conventional trademarks and distinctive trade dress to distinguish between competing products. In this context, color is irrelevant other than as one element of a distinctive mark or dress.

The significant error of the majority in *In Re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1123 (Fed. Cir. 1985) is its view that trademark protection of a single overall color was the same as a distinctive design and/or trade dress which it saw as protected in *Vuitton et Fils S.A. v. J. Young Enterprises, Inc.*, 644 F.2d 769, 775 (9th Cir. 1981) (distinctive overall pattern of florets and initials "LV"). The creativity inherent in the distinctive and arbitrary Vuitton mark as compared to the appropriation of a "generic" color distinguishes the two cases. That Vuitton's distinctive mark is applied to the overall surface of the product does not make that mark analogous to a mere overall color.

### B. Color *Per Se* Is Essentially Functional And Hence Not Eligible For Registration

Color has been judicially recognized as serving a functional purpose and hence ineligible for trademark protection. *E.g.*, *Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844, 102 S.Ct. 2182 (1982) (blue and blue-red color of capsules are functional); *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378 (9th Cir. 1987) (yellow color of antifreeze container held functional); *North Shore Laboratories Corp. v. Cohen*, 721 F.2d 514 (5th Cir. 1983) (color of tire repair held functional); *Deere & Co. v. Farmhand, Inc.*, 560 F.Supp. 85 (S.D. Iowa 1982), *aff'd per curiam*, 721 F.2d 253 (8th Cir. 1983) (green color of farm machinery held functional); *Sylvania Electric Products v. Dura Electric Lamp Co.*, 247 F.2d 730 (3d Cir. 1957) (blue dot on flash bulbs held functional);

*AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986) *cert. denied*, 481 U.S. 1041, 107 S. Ct. 1983 (1987) (color royal blue on textured foil wrapper held to denote "coolness" and hence functional); *Warner Lambert Co. v. McCrory's Corp.*, 718 F.Supp. 389, 396 (D.N.J. 1989) (colors of mouthwash indicate flavor and hence functional); *see, Wallace Intern. Silversmith v. Godinger Silver Art*, 916 F.2d 76 (2d Cir. 1990), *cert. denied*, 499 U.S. 976, 111 S.Ct. 1622 (1991) (baroque design of silverware held functional); *Keene Corp. v. Paraflex Industries, Inc.*, 653 F.2d 822 (3d Cir. 1981) (aesthetic functionality of design configuration of a lighting fixture); *Pagliero v. Wallace China Co.*, 198 F.2d 339 (9th Cir. 1952) (design of hotel china held functional).

In *Deere & Co. v. Farmhand, Inc., supra*, the court held the color "John Deere green" to be aesthically functional and hence not protectible. The District Court's finding as to the aesthetic functionality of the color "John Deere green," affirmed by the Eighth Circuit, was as follows:

> The Court concludes that the doctrine of aesthetic functionality should apply to the dispute now before the Court. The Court has found that farmers prefer to match their loaders to their tractor just as the lighting fixture in *Keene* was designed to match the architecture of the building on which it was mounted.

*Deere & Co. v. Farmhand, Inc.*, 560 F.Supp. at 98 (footnote omitted). The *Deere* court concluded that protection of the color green would impair competition and declined to protect the color under the Lanham Act, § 43(a), 15 U.S.C. 1125 (a). *Id.* at 101.

Functionality is clearly one basis for holding that color *per se* should not be registrable as a trademark. It appears self-evident that mere "first use" of a particular color ought not be sufficient to bar a competitor from the use of the same color on a competing product.



### C. Registration Of A Particular Color Should Not Be Permitted On The Grounds Of Color Depletion

Another reason for the traditional rule against registrability of color as a trademark was the recognition that there were a finite number of colors in the spectrum which could be depleted by trademark registration with obvious adverse effect upon competition. Notwithstanding the availability of different shades of primary colors discussed below, color depletion remains a valid objection to the registrability of color *per se*. *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1028 (7th Cir. 1990), *cert. denied*, 499 U.S. 983, 111 S. Ct. 1640 (1991); *Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795 (3d Cir.), *cert. denied*, 338 U.S. 847, 70 S. Ct. 88 (1949); *Diamond Match Co. v. Saginaw Match Co.*, 142 F. 727, 729 (6th Cir.), *cert. denied*, 203 U.S. 589, 27 S.Ct. 776 (1906); *Specialty Surgical Instrumentation v. Phillips*, 844 F.Supp. 1211 (M.D. Tenn. 1994); *R.L. Winston Rod Co. v. Sage Mfg. Co.*, 838 F.Supp. 1396 (D. Mont. 1993); *Nor-Am Chemical v. O.M. Scott & Sons Co.*, 4 U.S.P.Q.2d 1316 (E.D. Pa. 1987); *Pacific Coast Condensed Milk Co. v. Frye & Co.*, 147 P. 865, 869, 85 Wash. 133 (1915).

As the court in *Campbell Soup* observed:

> What the plaintiffs are really asking for, then, is a right to the exclusive use of labels which are half red and half white for food products. If they may thus monopolize red in all of its shades the next manufacturer may monopolize orange in all its shades and the next yellow in the same way. Obviously, the list of colors will soon run out.

175 F.2d at 798.

Given the importance of color in identifying the type and function of a product in today's marketplace, with its array of competing products and the limited number of such colors, the traditional ban on registrability of a particular color as a trademark should be continued.

That varying shades of color may greatly increase the available reservoir of colors is not a sufficient response to the color depletion rationale.[5] How different a shade of red or blue must a competitor utilize to be safeguarded from a claim of trademark infringement? Significant product planning and manufacturing decisions should not be required to be based on a prediction as to whether a light rose or peacock blue shade will in the future be viewed by a judicial trier of fact as sufficiently different from the color of the first user's alleged mark. To paraphrase the *NutraSweet* court, infringement actions could soon degenerate into questions of shade confusion and result in a plethora of litigation with an absence of certainty and predictability. *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027 (7th Cir. 1990), *cert. denied*, 499 U.S. 983, 111 S.Ct. 1640 (1991); *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1131 (Fed. Cir. 1985) (Bissell, J., dissenting); *Deere & Co. v. Farmland, Inc.*, 560 F.Supp. 85, 96 n.19 (S.D. Iowa 1982), *aff'd per curiam*, 721 F.2d 253 (8th Cir. 1983); *see*, McCarthy, *supra*, § 7.16[1] at 7-69.

### D. Existing Law Adequately Protects The Use Of Color As A Trademark

The Lanham Act, 15 U.S.C. 1051 *et seq.*, and judicial decisions thereunder adequately protect the use of color as an element of a trademark when used in connection with some symbol or design or impressed in a particular design, as a circle, square, triangle, cross, or star. *E.g.*, *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027 (7th Cir. 1990), *cert. denied*, 499 U.S. 983, 111 S.Ct. 1640 (1991); *Quabaug Rubber Company v. Fabiano Shoe Co., Inc.*, 567 F.2d 154, 161

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[5] It must be recognized that not all colors make commercial sense for all products. For example, where fishermen prefer rods in a limited range of colors, such as green, black or brown, to permit any one of these limited number of colors to be trademarked for such product would have a truly anti-competitive effect. *R. L. Winston Rod Co. v. Sage Mfg. Co.*, 838 F.Supp. 1396, 1400 (D. Mont. 1993).



(1st Cir. 1977); *Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795, 798 (3d Cir.), *cert. denied*, 338 U.S. 847, 70 S. Ct. 88 (1949); *Barbasol Co. v. Jacobs*, 160 F.2d 336, 338 (7th Cir. 1947).

This Court has only recently reaffirmed such protection of color when incorporated in "inherently distinctive" trade dress. *Two Pesos, Inc. v. Taco Cabana, Inc.*, ___ U.S. ___, 112 S.Ct. 2753 (1992).

Where there is "palming off" or confusion as to source of nearly identical goods, courts have authority to require labeling or other precautionary steps to prevent buyers being misled as to source. *See, e.g., North Shore Laboratories v. Cohen*, 721 F.2d 514, 521 (5th Cir. 1983); *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041, 107 S.Ct. 1983 (1987).

## POINT II

### REGISTRABILITY OF COLOR *PER SE* NOT AS PART OF A DESIGN OR TRADE DRESS THREATENS TO ADVERSELY IMPACT COMPETITION AND FORECLOSE NEW ENTRANTS

The Ninth Circuit below correctly recognized that "[t]he basic test for unfair competition is whether consumer confusion or deception is likely as a result of the defendant's acts" and that "[r]egistration of a trademark is not a prerequisite for recovery under [Lanham Act] Section 43(a)." *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297, 1302 (9th Cir. 1994). The ultimate issue is whether a party has a " 'reasonable interest to be protected.' *New West Corp. v. NYM Co. of California, Inc.*, 595 F.2d 1194, 1198 (9th Cir. 1979), *quoted in Smith v. Montoro*, 648 F.2d 602, 605 (9th Cir. 1981)." *Id.* A mark may not be used to exclude competitors from the marketplace. *Wallace Intern. Silversmith v. Godinger*

*Silver Art*, 916 F.2d 76, 81 (2d Cir. 1990), *cert. denied*, 499 U.S. 976, 111 S. Ct. 1622 (1991).

"The 'property' in a trademark is the right to prevent confusion, not to bar new entrants into the market." *In Re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1130 (Fed. Cir. 1985) (Bissell J., dissenting). As the Court stated in *James Burrough Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266, 274, 276 (7th Cir. 1976):

> A "trademark" is not that which is infringed. What is infringed is the right of the public to be free of confusion and the synonymous right of a trademark owner to control his product's reputation.
>
> * * *
>
> The trademark laws exist not to "protect" trademarks, but, as above indicated, to protect the consuming public from confusion, concomitantly protecting the trademark owner's right to a non-confused public.

At bar, this Court is confronted with the task of drawing a balance between society's interest in fostering and preserving open competition between varying brands of comparable products and a first user's interest in protecting the exclusive right to a particular color.

It is respectfully submitted that the interests of society, including manufacturers and consumers, consistent with the statutory language and purpose of the Lanham Act, are best served by preserving the traditional rule prohibiting the registrability of color as a trademark while preserving the protection of color when incorporated as an element in a distinctive design, logo, shape or trade dress. Only in the latter form does color serve the *bona fide* trademark function as an identifier of source.

The revolution in the marketplace which has been created by the introduction and market acceptance of "private" or



"store" brands was recently the subject of attention in *Conopco, Inc. v. May Dep't Stores Co.*, 32 U.S.P.Q.2d (BNA) 1225, 1994 U.S.App. Lexis 26390 (Fed.Cir. Sept. 21, 1994). In that case, the Federal Circuit reversed the district court's grant of an injunction and other relief against a defendant charged with infringement of plaintiff's patent, trademarks and trade dress for "Vaseline Intensive Care Lotion." Notwithstanding the alleged similarity in the defendant's trade dress, the Court of Appeals was persuaded that the presence of defendant's prominently displayed "black and white diagonally-striped Venture" label and logo on the back and front of the defendant's product rebutted any possible claim of consumer confusion.

The Federal Circuit ruled:

> With the rise of regional and national discount retailers with established names and logos, retailers who market both national brands and their own private label brands in direct competition, this form of competition has become commonplace and well-known in the marketplace. When such packaging is clearly labelled and differentiated—as was the case here, see the discussion in the next section—we are unwilling to attribute to the Eighth Circuit, absent clear precedent so requiring, a rule that would make such competition presumptively unlawful.
>
> * * *
>
> The unique and extensive appearance of that logo in the store parking lot, on store signs, on employees' badges, in Venture's frequent and periodic print and television advertisements, and on other private label items sold by Venture, the large volume of Venture's annual sales ($1.3 billion in 1990), and the dearth of evidence that consumers ever purchased the Venture brand thinking it to have originated from Conopco despite the extended (over 10 year) period over which the original and relaunched

> [Vaseline] products were sold alongside the Venture brand, give rise to the expectation that consumers identify the logo with Venture, rather than Conopco, and use that logo to successfully distinguish between the two brands.

*Conopco, Inc. v. May Dep't Stores Co.*, 1994 U.S.App. Lexis, at *27, *29-30 (footnotes omitted).

In short, existing law adequately protects a first user's legitimate interest in the distinctive identifiers used to differentiate its goods from those of a competitor. Color alone is not such an appropriate identifier of source of origin and abandonment of the long-accepted traditional rule will be anti-competitive, causing uncertainty and needless litigation.



## CONCLUSION

For each of the foregoing reasons, this Court should affirm the Ninth Circuit's determination to the extent that it held that the Lanham Act prohibits the registration of color as a trademark.

Respectfully submitted,

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